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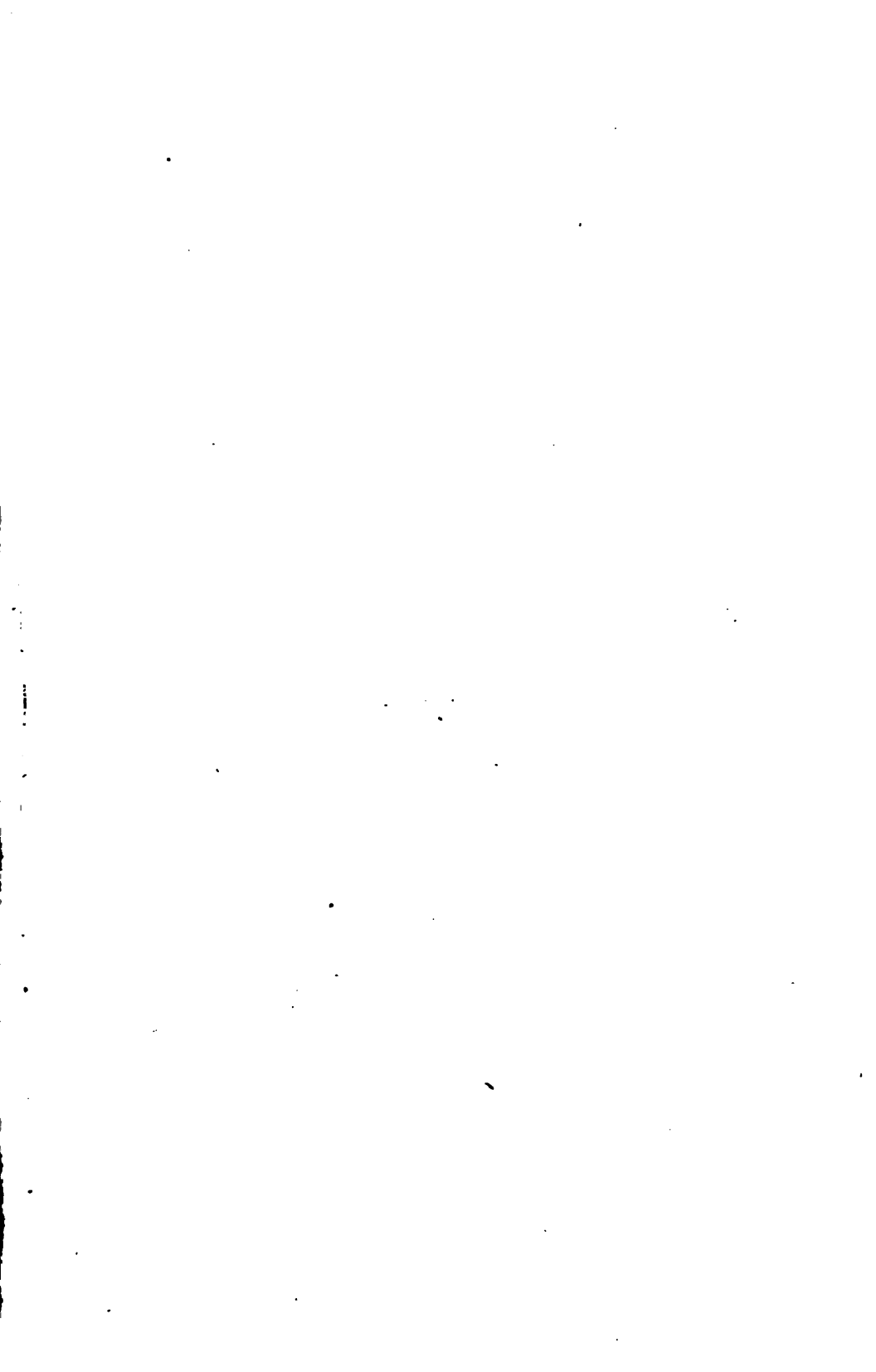
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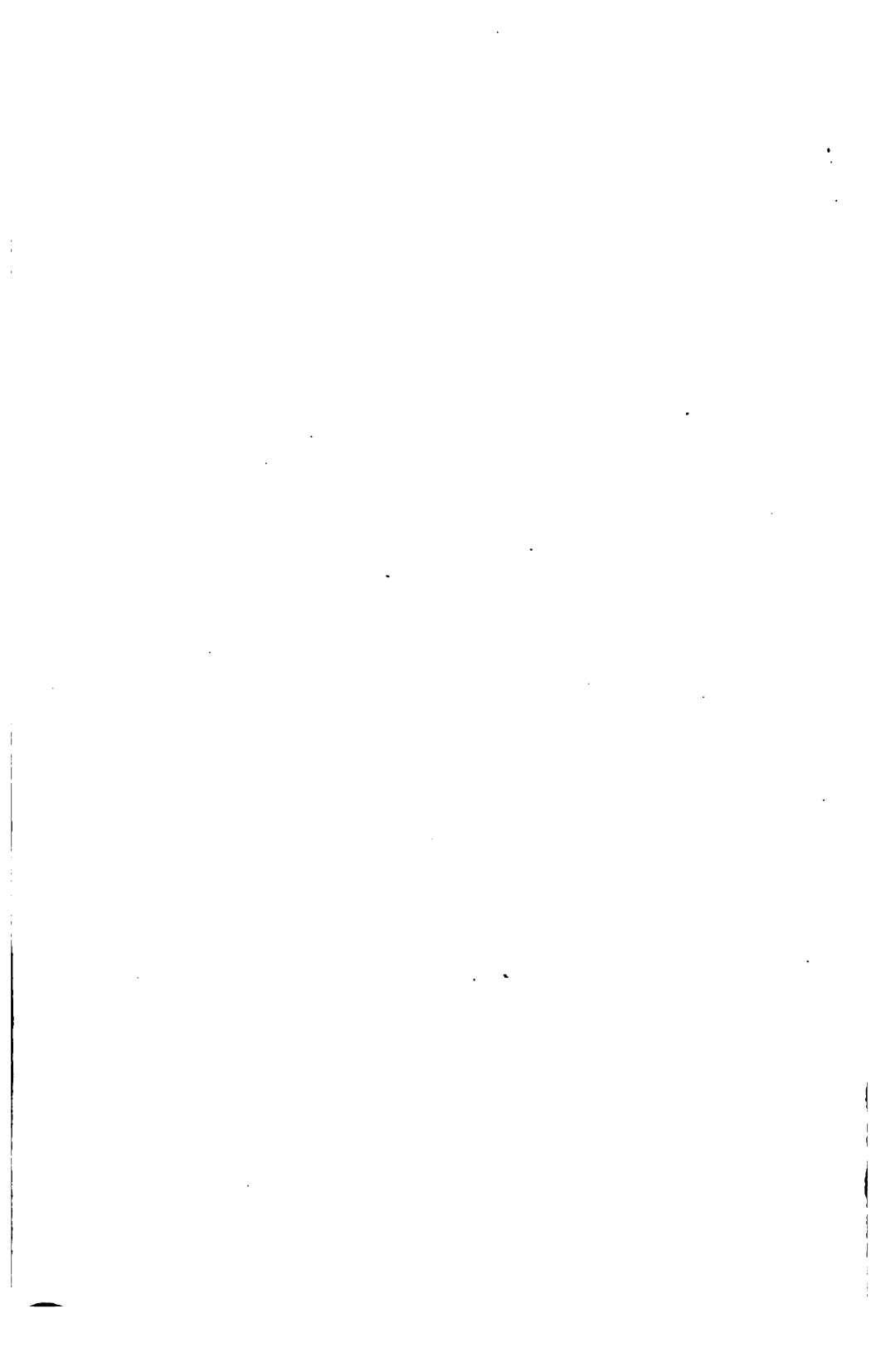
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TWENTY-THIRD ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

CHICAGO & ALTON

RAILROAD COMPANY,

FOR THE

YEAR ENDING DECEMBER 31st, 1885.

ISSUED FEBRUARY, 1886.

CHICAGO:

RAND, McNALLY & Co., PRINTERS, 148-154 MONROE ST.

1886.

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DIRECTORS.

T. B. BLACKSTONE.....	CHICAGO, ILL.	{	Term of Service Expires first Monday in April, 1886.
JOHN B. DRAKE.....	CHICAGO, ILL.		
MORRIS K. JESUP.....	NEW YORK.		
GEORGE STRAUT.....	CHICAGO, ILL.	{	Term of Service Expires first Monday in April, 1887.
JAMES C. McMULLIN.....	CHICAGO, ILL.		
WILLIAM A. SLATER.....	NORWICH, CONN.		
JOHN CRERAR.....	CHICAGO, ILL.	{	Term of Service Expires first Monday in April, 1888.
LORENZO BLACKSTONE.....	NORWICH, CONN.		
JOHN J. MITCHELL.....	ST. LOUIS, MO.		

OFFICERS.

T. B. BLACKSTONE.....	<i>President.</i>
J. C. McMULLIN.....	<i>Vice-President.</i>
CHARLES H. FOSTER.....	<i>Secretary and Treasurer.</i>
CHAUNCEY KELSEY.....	<i>Auditor.</i>
C. BECKWITH.....	<i>General Solicitor.</i>
CHARLES H. CHAPPELL....	<i>General Manager.</i>
T. M. BATES.....	<i>Superintendent of Transportation.</i>
J. H. WOOD.....	<i>General Manager's Assistant.</i>
H. H. COURTRIGHT.....	<i>General Freight Agent.</i>
JAMES CHARLTON.....	<i>General Passenger and Ticket Agent.</i>
K. F. BOOTH.....	<i>Chief Engineer.</i>
WM. WILSON.....	<i>Superintendent of Machinery and Cars.</i>
A. V. HARTWELL.....	<i>Purchasing Agent.</i>
A. M. RICHARDS.....	{ <i>Division Superintendents.</i>
S. D. REEVE.....	



DIRECTORS' TWENTY-THIRD ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company :

The Board of Directors submit the following Report for the year ending December 31, A. D. 1885:

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS		
Chicago to Joliet.....	37.20	89.80	27.53	104.53
Joliet to East St. Louis.....	243.50	22.46	70.94	336.90
Coal City Branch.....	29.76	.....	9.56	39.32
Dwight to Washington and Lacon	79.80	.....	7.20	87.00
Roodhouse to Louisiana	88.10	.....	7.02	45.12
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.....	158.00	.....	16.29	166.89
Louisiana & Missouri River Railroad...	100.80	.....	16.93	117.73
Mexico to Kansas City	161.92	0.87	31.47	194.26
Total Miles	849.08	68.13	186.94	1,091.75

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares.....	14,107,800 00
Total amount of Stock.....	<u>\$17,587,300 00</u>

FIXED CHARGES AND FUNDED DEBT.

First Mortgage Chicago & Alton 7 per cent. Bonds, due January 1, 1893.....	\$2,383,000 00 ✓
St. Louis, Jacksonville & Chicago Railroad First Mortgage 7 per cent. Bonds, maturing April 1, 1894, assumed by this Company.....	2,929,000 00 ✓
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Bonds, maturing July 1, 1898, assumed by this Company.....	188,000 00
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Convertible Bonds, maturing July 1, 1898, assumed by this Company.....	47,000 00
Louisiana & Missouri River Railroad Company's First Mortgage 7 per cent. Bonds, due August 1, 1900, assumed by our Company in settlement of Accounts under Contract for Construction, dated July 5, A. D. 1870.....	439,100 00 ✓
Chicago & Alton Sinking Fund 6 per cent. Gold Bonds, maturing May 1, 1903.....	2,578,000 00
Consolidated Chicago & Alton 6 per cent. Sterling Bonds, due July 1, 1903—£900,000, say.....	\$4,379,850 00 ✓
Mississippi River Bridge Company's First Mortgage Sinking Fund 6 per cent. Bonds, due October 1, 1912, assumed by our Company under terms of lease.....	675,000 00
Total amount of Bonds.....	<u>\$13,613,950 00</u>

Joliet and Chicago Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	1,500,000 00 ✓
Mississippi River Bridge Company's Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	800,000 00
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent. annual dividends are guaranteed.....	1,750,000 00 ✓
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent. per annum, are contingent upon gross earnings.....	271,700 00 ✓
Total.....	<u>\$35,022,950 00</u>

The Louisiana & Missouri River Railroad is operated by our Company under a lease, which, by its terms, is to continue one thousand years from the first day of August, A. D. 1870. The lease provides that each year all taxes and assessments shall be deducted from the gross earnings of the road, and 35 per cent. of the remainder shall be the amount of rent for that year.

All other lines of railway operated by our Company, its bridges over the Mississippi and Missouri Rivers, and other property pertaining to such lines, are owned by it subject to the several mortgages and fixed annual charges above stated.

Seven hundred and thirty-one shares of the common stock of this Company have been issued during the last year, in exchange for an equal number of shares of the common stock of the St. Louis, Jacksonville & Chicago Railroad Company, pursuant to the agreement between that Company and the Chicago & Alton Railroad Company, dated April 14, 1884. All of the preferred shares of that Company, and all of its shares of common stock, except thirty-seven, have been exchanged at the date of this Report.

Eighty-two Thousand Dollars of the 6 per cent. Sinking Fund Gold Bonds of our Company, and Nine Thousand Dollars of the Bonds of the Mississippi River Bridge Company, have been redeemed and canceled on account of Sinking Funds during the year.

GROSS EARNINGS.

PER CENT.	1884.		1885.	PER CENT.
26.18%	\$2,278,429 14	From Passengers	\$2,209,502 01	27.14%
69.73%	6,078,674 61	“ Freight	5,432,638 33	67.73%
01.33%	167,730 86	“ Express	158,626 43	01.33%
01.82%	137,981 35	“ Mails	137,199 55	01.71%
00.92%	51,508 26	“ Miscellaneous	55,208 01	00.92%
	\$8,709,274 22	.....Total Earnings.....	\$7,993,169 38	

The Gross Earnings from Traffic in 1885, compared with those of 1884, were as follows :

	INCREASE.		DECREASE.	
	AMOUNT.	PER CENT.	AMOUNT.	PER CENT.
From Passenger Traffic			\$ 68,927 13	08.32%
“ Freight “			641,041 28	10.33%
“ Express “			9,104 43	05.47%
“ Mail “			781 80	00.83%
“ Miscellaneous Sources	\$3,699 75	07.18%		

Decrease in Gross Earnings in 1885, compared with those of the preceding year, \$716,104.89, or 8.11% per cent.

OPERATING EXPENSES.

PER CENT.	1884.		1885.	PER CENT.
29.01%	\$1,499,723 64	For Conducting Transportation.	\$1,412,782 72	30.37%
28.73%	1,477,669 75	“ Motive Power.....	1,388,553 98	30.73%
28.33%	1,485,034 34	“ Maintenance of Way.....	1,248,603 81	27.33%
13.77%	681,362 43	“ Maintenance of Cars.....	562,906 89	12.33%
	\$5,133,790 16	.....Total	\$4,612,847 40	

The expenditures for operating and maintaining our railroad, compared with those of the preceding year, were as follows :

	DECREASE.	
	AMOUNT.	PER CENT.
For Conducting Transportation.....	\$ 76,940 92	05.18%
“ Motive Power	89,115 77	06.18%
“ Maintenance of Way.....	286,490 58	15.82%
“ Maintenance of Cars	118,455 54	17.38%

Decreased expenditures as above, compared with those of preceding year, \$520,942.76, or 10.14% per cent.

SUMMARY OF EARNINGS AND EXPENSES.

1884.		1885.
\$8,709,274 22	..... Earnings from all sources.....	\$7,993,169 33
5,183,790 16	..... Operating Expenses	4,612,847 40
3,575,484 06	..... Net Earnings.....	3,380,321 93
58.81%	.. Operating Expenses per cent. of Gross Earnings..	57.72%

Decrease in Gross Earnings	\$716,104 89
Decrease in Operating Expenses.....	520,942 76
Decrease in Net Earnings.....	\$195,162 18

The decrease in Net Earnings in 1885 compared with the Net Earnings in 1884, is 5.46% per cent.

EARNINGS PER MILE.

1884.		1885.
\$10,248 86	..... Gross Earnings per mile of Road.....	\$9,413 92
6,041 31	..... Operating Expenses per mile of Road.....	5,482 76
\$4,207 55	..... Net Earnings per mile of Road.....	\$3,981 16

TOTAL GROSS EARNINGS FROM FARM PRODUCTS SHIPPED AT LOCAL STATIONS.

Years.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois.	Gross Earnings on Shipments of Farm Products from Local Stations in Missouri.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois and Missouri.	Per Cent. of Gross Earnings on Freight Traffic.	Per Cent. of Gross Earnings on all Traffic.
1881	\$ 799,824 00	\$ 301,663 00	\$ 1,100,986 00	19 ⁸⁴⁸ / ₁₀₀₀	14 ⁵⁵⁷ / ₁₀₀₀
1882	768,818 00	397,424 00	1,166,237 00	19 ⁸⁸⁸ / ₁₀₀₀	14 ¹⁹⁵ / ₁₀₀₀
1883	576,792 90	455,089 32	1,081,882 22	16 ⁴⁴⁸ / ₁₀₀₀	11 ⁷¹¹ / ₁₀₀₀
1884	523,614 67	340,656 49	869,271 16	14 ⁸¹³ / ₁₀₀₀	09 ⁸⁸¹ / ₁₀₀₀
1885	599,919 83	282,372 50	882,292 33	16 ³⁴¹ / ₁₀₀₀	11 ¹³⁸ / ₁₀₀₀
Increase,	\$ 71,805 16		\$ 13,021 17	01 ⁸³⁸ / ₁₀₀₀	01 ⁹⁵⁷ / ₁₀₀₀
Decrease,		\$ 58,283 99			

The foregoing tabular statement shows that only about eleven per cent. of the Gross Earnings of our lines during the last year, was derived from the transportation of Farm Products shipped at local stations, and that only 16³⁴¹/₁₀₀₀ per cent. of the Freight Earnings during the year was derived from that traffic. Statements in detail, of which the foregoing is a summary, will be found in the Appendix to this Report.

INCOME ACCOUNT.

By balance December 31, 1884.....	\$ 2,159,438 08
By interest on Bonds, Dividends on Stocks owned by our Company and Sundry Receipts.....	272,845 44
By Gross Receipts from Traffic.....	7,998,169 33
	<u>\$10,425,447 85</u>

DISBURSEMENTS.

Interest on Funded Debt.....	\$ 889,806 80
Dividends.....	1,409,750 00
Rent paid Joliet & Chicago R. R. Co.....	106,250 00
“ “ Louisiana & Missouri River R. R. Co.....	191,350 04
“ “ Kansas City, St. Louis & Chicago R. R. Co.....	385,873 20
“ “ Mississippi River Bridge Co.....	71,000 00
Paid for Sinking Fund Bonds purchased.....	93,853 75
“ from this Account for additional property, En- gines, Cars, Real Estate, New Buildings, New Tracks, Stone Ballast, etc.	380,702 00
Operating Expenses.....	4,612,847 40
	<u>8,040,933 19</u>
Balance, December 31, 1885.....	\$2,384,514 66

There was consumed, in operating our railroad during the year, 288,185 tons of coal; average cost per ton, delivered on locomotive tender, \$1.20. Also, 6,470 cords of wood; cost on tender, \$2.26 per cord.

The amount paid for labor and personal services in all departments during the year was \$2,797,156.32.

Of the amount of operating expenses, 53 $\frac{3}{10}$ per cent. was paid for labor, 35 $\frac{1}{10}$ per cent. for supplies of various kinds, and 11 $\frac{6}{10}$ per cent. for miscellaneous expenses.

LOCOMOTIVES.

The schedule of locomotives owned by our Company at the close of the year is as follows :

Locomotives with 6 Driving Wheels and 4 Leading Wheels.....	14
“ “ 6 “ “ 2 “ “	11
“ “ 4 “ “ 4 “ “	165
“ “ 4 “ “ Switching	36
“ “ 6 “ “ “	2
Total.....	228

CARS.

The number of cars used in Passenger Trains, and owned by our Company, is.. 119
Pullman Sleeping Cars on our Lines..... 19

Total..... 138

The number and description of freight cars owned by our Company December 31, 1885, are as follows :

House Cars (including 10 Refrigerator Cars)....	3,228
Stock Cars.....	1,848
Platform and Coal Cars	1,360
Drovers' Cars	100
Tool and Boarding Cars	16
Total	6,547

PERMANENT WAY.

The replacement of iron rails with steel rails of sixty and seventy pounds per yard on all our main lines, including First, Second, Third and Fourth main tracks, had been completed at the date of our last Annual Report. Our Company has now tracks with steel and with iron rails, as follows :

Number of Miles of Main Track on Main Lines laid with Steel.....	752.65
Number of Miles of Main Track on Branch Lines laid with Steel.....	94.00
Number of Miles of Main Track on Branch Lines laid with Iron	65.56
Number of Miles of Side Tracks laid with Iron	101.19
Number of Miles of Side Tracks laid with Steel.....	85.75
Total.....	1,099 15

Seven thousand two hundred and eighty-one tons of new steel rails, and 386,043 new cross-ties, have been laid during the last year.

Twelve spans of bridges have been replaced with iron during the last year. The aggregate length of all the wooden bridges now remaining on our main lines is about 375 feet.

Fifty-seven miles of road-bed have been ballasted with broken rock, and sixteen miles with cinders, during the year.

The length of ballasted road-bed on our main lines at the close of the year was—with rock, 229.68 miles; with gravel, 178.90 miles; with cinders, 157.83 miles. Total, 566.41 miles. Length of tracks on main lines unballasted, 151 miles.

All necessary repairs and renewals have been made. The railroad and all its appurtenances have been maintained in good condition, and in many respects improved.

The acknowledgments of the Board are due to the officers in charge of the several departments, and those employed under their direction, for the efficiency, zeal and fidelity manifested in the discharge of their duties.

Your attention is invited to the tabular statements and accounts hereto attached.

By order of the Board,

T. B. BLACKSTONE,
President.



APPENDIX.

AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 2, 1886.

To the Board of Directors :

GENTLEMEN : I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31st, 1885, and the operations of the road for the fiscal year 1885 :

A — General Balance Sheet.

B — Income Account.

C — Additional Property Account.

D — Gross Earnings from Traffic for the year.

E — Operating Expenses.

F — Statement of Monthly Earnings from 1876, and Annual Expenses and Profits.

G — Passenger Statistics and Comparisons.

H — Freight Statistics and Comparisons.

I — Freight Transported.

J — Statement of Gross Earnings from Shipments of Farm Products in Illinois.

K — Statement of Gross Earnings from Shipments of Farm Products in Missouri.

L — Mileage of Cars and Details of Mileage.

Respectfully yours,

CHAUNCEY KELSEY,

Auditor.

A—General Balance Sheet, December 31, 1885.

To Cost of Road and Equipment.....	\$30,925.08	20
To Construction of Upper Alton Line.....	316.36	42
To Construction of Coal City Branch.....	630.416	34
To Construction of Western Division.....	1,116,724	91
To Construction of Louisiana Branch.....	1,389,537	92
To Cost of St. L., J. & C. R. Bonds Assumed.....	2,412,000	00
To St. L., J. & C. R. Co.'s Preferred Stock.....	1,053,100	00
To St. L., J. & C. R. Co.'s Common Stock.....	1,653,900	00
To Original Cost of the Joliet & Chicago R. R.....	2,860,000	00
To Original Cost of the Mississippi River Bridge.....	2,000,000	00
To Cash on Hand and on Call.....	1,000,000	00
To Due from Agents, Cash in Transit.....	1,297,624	45
To Supplies for Current Operations, Road Department.....	123,372	10
To Supplies for Current Operations, Car and Locomotive Departments.....	\$ 91,598	73
To Machinery and Tools in Machine Shop.....	189,757	20
To Machinery and Tools in Car Shop.....	244,596	69
To Jas. Robb, Special Receiver, Bonds deposited to meet Contingent Liabilities.....	66,047	75
To Kansas City, St. Louis & Chicago R. R. Co.'s Common Stock.....	\$137,600	00
To Louisiana & Missouri River R. R. Co.'s Second Mortgage Bonds.....	70,000	00
To St. Louis Exposition & Music Hall Ass'n's Stock.....	5,000	00
To Inter-State Industrial Exposition Stock.....	1,000	00
To Income Scrip.....	1,121	40
To Chicago & Mississippi River R. R. Bonds.....	2,500	00
To Sinking Fund Gold Bonds Purchased (1).....	1,145	00
To Kansas City, St. Louis & Chicago R. R. Co.'s First Mortgage Bonds.....	298,306	40
To Mississippi River Bridge Co.'s Stock, owned by C. & A. R. R.....	3,000,000	00
To Mississippi River Bridge Co.'s Bonds.....	195,000	00
To Illinois Trust & Savings Bank, Common Stock in Trust.....	495,000	00
To Bills Receivable - Includes Note of Louisiana & Missouri River R. R. Co. for \$163,618.30, of Dec. 1, 1877.....	3,700	00
To United States Government Post Office Department.....	298,781	84
To United States Express Company.....	34,482	83
To Manistee, Mich., Land Trustee.....	5,885	36
To Ocell Property Trustee.....	1,062	45
To Grundy County Lands, Geo. Straut, Trustee.....	5,000	00
To Kansas City Union Depot.....	75,000	00
To Amount due from Individuals and Companies.....	6,666	67
	351,227	71
	\$83,194,892	05

AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 2, 1886.

To the Board of Directors :

GENTLEMEN : I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31st, 1885, and the operations of the road for the fiscal year 1885 :

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- G — Passenger Statistics and Comparisons.
- H — Freight Statistics and Comparisons.
- I — Freight Transported.
- J — Statement of Gross Earnings from Shipments of Farm Products in Illinois.
- K — Statement of Gross Earnings from Shipments of Farm Products in Missouri.
- L — Mileage of Cars and Details of Mileage.

Respectfully yours,

CHAUNCEY KELSEY,

Auditor.

A—General Balance Sheet, December 31, 1885.

To Cost of Road and Equipment.....	\$30,925.08 20	By Income Account.....	\$14,107,900 00	\$2,384,514 66
To Construction of Upper Alton Line.....	316,361 42	By Capital Stock, Common.....	2,479,500 00	
To Construction of Coal City Branch.....	690,416 34	By Capital Stock, Preferred.....	2,885,000 00	
To Construction of Western Division.....	1,116,794 91	By First Mortgage Bonds.....	4,679,500 00	
To Construction of Louisiana Branch.....	1,389,537 92	By Consolidated Sterling Bonds.....	564,000 00	
To Cost of St. L., J. & C. R. R. Bonds Assumed.....	2,412,000 00	By St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds, Account Louisiana Branch.....	188,000 00	
To St. L., J. & C. R. R. Co.'s Preferred Stock.....	1,054,100 00	By St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds, Account Louisiana Branch.....	2,865,000 00	
To St. L., J. & C. R. R. Co.'s Common Stock.....	1,646,900 00	By St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds, Account Main Line.....	47,000 00	27,514,150 00
To Original Cost of the Joliet & Chicago R. R.....	2,600,000 00	By Joliet & Chicago R. R. Stock on which C. & A. guarantee 7 per cent. per annum dividend.....	1,500,000 00	
To Original Cost of the Mississippi River Bridge.....	2,000,000 00	By Joliet & Chicago R. R. Bonds, paid and canceled.....	500,000 00	2,000,000 00
To Cash on Hand and on Call.....	1,000,000 00	By Mississippi River Bridge Stock, Guaranteed.....	800,000 00	
To Due from Agents, Cash in Transit.....	1,297,624 45	By Mississippi River Bridge Bonds, Assumed.....	675,000 00	
To Supplies for Current Operations, Road Department.....	123,372 10	By Mississippi River Bridge Bonds, paid and canceled.....	25,000 00	1,000,000 00
To Supplies for Current Operations, Car and Locomotive Departments.....	\$ 91,508 73	By Vouchers and Pay Rolls for Dec., 1885, due Jan., 1886.....	506,942 71	
To Machinery and Tools in Machine Shop.....	189,787 20	By Wages Checks issued prior to Dec. 1, 1885, not presented.....	54,773 03	
To Machinery and Tools in Car Shop.....	244,590 69	By Unpaid Wages, due prior to Dec. 1, 1885, not claimed.....	29,080 96	500,736 70
To Jas. Robb, Special Receiver, Bonds deposited to meet Contingent Liabilities.....	66,047 75	By Sinking Fund Gold Bonds.....	2,573,000 00	
To Kansas City, St. Louis & Chicago R. R. Co.'s Common Stock.....	\$137,600 00	By Sinking Fund Gold Bonds, Redeemed.....	437,000 00	3,000,000 00
To Louisiana & Missouri River R. R. Co.'s Second Mortgage Bonds.....	70,000 00	By First Mortgage Sinking Fund Bonds, Paid and Mortgage Discharged.....	600,000 00	
To St. Louis Exposition & Music Hall Ass'n Stock.....	5,000 00	By Louisiana & Missouri River R. R. Bond Account.....	489,100 00	
To Inter-State Industrial Exposition Stock.....	1,000 00	By New Common Stock Unleased.....	3,700 00	
To Income Scrip.....	1,121 40	By Unclaimed Coupons.....	625 76	
To Chicago & Mississippi River R. R. Bonds.....	2,500 00	By Unclaimed Dividend.....	1,964 70	
To Sinking Fund Gold Bonds Purchased (1).....	1,145 00	By Missing Sinking Fund Coupons.....	70 00	800 00
To Kansas City, St. Louis & Chicago R. R. Co.'s First Mortgage Bonds.....	238,366 40	By Mississippi River Bridge Co., Balance Sinking Fund Unappropriated.....	56,937 30	
To Mississippi River Bridge Co.'s Stock, owned by C. & A. R. R.....	\$300,000 00	By accrued Rent not yet due Kansas City, St. Louis & Chicago R. R. Co.....	52,354 17	111,291 37
To Mississippi River Bridge Co.'s Bonds.....	195,000 00	By accrued Rent not yet due Louisiana & Missouri River R. R. Co.....	546,678 87	
To Illinois Trust & Savings Bank, Common Stock in Trust.....	\$300,000 00	By Amount due to Foreign Roads and Individuals and Companies.....	\$38,194,592 06	\$38,194,592 06
To Bills Receivable: Includes Note of Louisiana & Missouri River R. R. Co. for \$163,613.30, of Dec. 1, 1877.....	185,000 00			
To United States Government Post Office Department.....	5,885 36			
To United States Express Company.....	5,000 00			
To Manistee, Mich., Land Trustee.....	70,000 00			
To Ouel Property Trustee.....				
To Grundy County Lands, Geo. Straut, Trustee.....				
To Kansas City Union Depot.....				
To Amount due from Individuals and Companies.....				

B—Income Account, December 31, 1885.

To Dividend on Preferred and Common Stock, paid.....	\$1,409,750 00	By Balance from 1884.....		\$2,159,433 08
To First Mortgage Coupons, due July 1st.....	\$ 83,405 00	By Louisiana & Missouri River R. R. Coupons, due November 1st.....	\$ 2,460 00	
To First Mortgage Coupons, due January 1st.....	\$ 83,405 00	By Louisiana & Missouri River R. R. Coupons, due November 1st.....	2,460 00	4,900 00
To Consolidated Bond Coupons, due July 1st.....	132,941 25	By K. C., St. L. & C. R. R. Coupons, due May 1st.....	105,000 00	
To Consolidated Bond Coupons, due January 1st.....	132,668 58	By K. C., St. L. & C. R. R. Coupons, due Nov. 1st.....	106,000 00	210,000 00
To Sinking Fund Gold Bond Coupons, due May 1st.....	77,160 00	By K. C., St. L. & C. R. R. Dividend on Stock, May 1st.....	5,516 00	
To Sinking Fund Gold Bond Coupons, due Nov. 1st.....	77,160 00	By K. C., St. L. & C. R. R. Dividend on Stock, November 1st.....	5,516 00	11,032 00
To St. Louis, Jacksonville & Chicago R. R. First Mortgage Bond Coupons, due April 1st.....	102,515 00	By Mississippi River Bridge Stock Dividend.....	21,000 00	
To St. Louis, Jacksonville & Chicago R. R. First Mortgage Bond Coupons, due October 1st.....	102,515 00	By Mississippi River Bridge Coupons, due May 1st.....	5,910 00	
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bond Coupons, due July 1st.....	8,575 00	By Mississippi River Bridge Coupons, due Nov. 1st.....	5,850 00	32,760 00
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bond Coupons, due January 1st.....	8,225 00	By Interest on Note of Louisiana & Missouri River R. R. Note of Dec. 1st, 1877, to July 1st.....	7,047 53	14,085 04
To Louisiana & Missouri River R. R. First Mortgage Bond Coupons, due February 1st.....	15,368 50	By Dividend Inter-State Exposition Stock.....	7,047 52	88 40
To Louisiana & Missouri River R. R. First Mortgage Bond Coupons, due August 1st.....	15,368 50	By Operating Receipts.....		7,993,169 33
To Sinking Fund Gold Bonds Purchased (82).....				
To Rentals—Joliet and Chicago R. R.....	\$ 106,250 00			
Mississippi River Bridge.....	71,000 00			
La. & Mo. R. R. R.....	191,350 04			
K. C., St. L. & C. R. R.....	385,878 20			
To Additional Property and Improvements.....	704,473 94			
To Operating Expenses.....	380,702 00			
To Balance.....	4,612,847 40			
	2,384,514 66			
	\$10,425,447 86	By Balance to 1886.....		\$10,425,447 85
				\$2,384,514 66

O—Additional Property and Improvements for the Year 1885.

		Amount charged to Income Account.....	\$880,702 00
Real Estate.....	\$ 39,508 95		
New Shops, Bloomington.....	5,000 00		
New Side Tracks, 2 $\frac{1}{2}$ miles.....	13,775 67		
New Water Station.....	781 79		
New Ballast, Rock.....	182,704 63		
Raising Grades—			
At Bloomington.....	\$ 5,350 18		
At Venice.....	3,081 11		
At Jacksonville.....	2,670 05		
Improvements, Petersburg.....	11,101 34		
Improvements on K. C., St. L. & C. R. R.—	58,704 77		
From Clark to Steinmetz.....	\$163,535 09		
From Blue Springs to Grain Valley.....	69,588 87		
At Glasgow.....	34,848 49		
New Ballast, Rock.....	48,681 06		
	\$316,608 51		
Less Amount of the Unappropriated Construction Fund, 188,478 66			
	131,124 85		
	\$880,702 00		\$880,702 00

D — Gross Earnings from Traffic for the Year ending December 31, 1885.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January	\$148,492 95	\$475,770 94	\$ 27,570 81	\$646,834 70
February	129,235 69	381,081 76	27,054 99	587,322 44
March	175,890 81	474,726 07	30,733 68	680,850 56
April	157,461 20	405,811 49	28,863 98	591,636 62
May	178,812 21	385,830 68	26,948 11	591,091 00
June	179,586 05	381,915 07	29,699 09	591,200 21
July	200,986 88	440,576 25	26,530 07	668,892 70
August	218,797 05	477,945 77	29,261 86	726,004 68
September	216,461 40	506,884 22	32,479 74	755,825 36
October	226,963 24	510,846 22	29,237 45	767,046 91
November	160,369 13	542,430 28	30,238 87	733,038 28
December	221,945 90	449,864 58	32,115 39	703,925 87
Totals for Year	\$2,209,502 01	\$5,432,633 33	\$351,033 99	\$7,993,169 33

E—Operating Expenses for the Year ending December 31, 1885.**CONDUCTING TRANSPORTATION :**

Wages Station Agents and Clerks.....	\$569,008 28	
Wages Passenger Conductors and Men.....	75,748 85	
Wages Freight Conductors and Men.....	215,462 82	
Supplies for Stations and Trains.....	178,895 42	
Stationery	64,716 63	
Advertising	12,298 91	
Incidentals and Stamps.....	54,121 79	
Loss and Damage.....	67,201 30	
Telegraph Expense.....	10,648 93	
Louisiana Bridge Expense.....	20,927 41	
Salaries of Officers and Clerks, Rents, Insurance, Taxes and General Expenses.....	148,757 38	
	<hr/>	\$1,412,782 73

MAINTENANCE OF WAY :

Road Repairs... ..	865,408 84	
Bridges and Culverts.....	119,253 33	
Stations and Buildings	85,425 66	
Fences.....	51,472 33	
Salaries of Officers and Clerks, Rents, Insurance, Taxes and General Expenses.....	127,043 60	
	<hr/>	1,248,603 81

MOTIVE POWER :

Wages of Engineers, Firemen and Wipers.....	486,323 24	
Locomotive Fuel, etc.	440,387 21	
Locomotive Repairs.....	320,488 59	
Salaries of Officers and Clerks, Rents, Insurance, Taxes and General Expenses.....	141,409 94	
	<hr/>	1,388,553 98

MAINTENANCE OF CARS :

Repairs of Sleeping Cars.....	339 54	
Repairs of Passenger Cars.....	106,415 53	
Repairs of Dining Cars and Pay Car.....	13,960 25	
Repairs of Baggage Cars, Mail Cars, etc.....	22,042 29	
Repairs of Air Brakes.....	1,704 83	
Repairs of Freight Cars.....	356,193 87	
Repairs of Foreign Freight Cars.....	4,972 99	
Salaries of Officers and Clerks, Rents, Insurance, Taxes and General Expenses.....	57,277 59	
	<hr/>	562,906 89

Total..... \$4,612,847 40

F—Monthly Earnings of The Chicago & Alton Railroad Company.

Months.	1876.	1877.	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.
January.....	\$305,597 29	\$351,607 89	\$301,073 05	\$343,737 84	\$354,064 43	\$490,120 15	\$535,539 51	\$546,368 29	\$565,641 80	\$646,584 70
February.....	346,850 35	335,046 79	300,156 59	307,680 95	497,013 47	474,513 05	517,898 51	557,868 68	573,324 25	537,323 44
March.....	355,538 53	345,454 44	357,297 36	337,379 44	636,473 11	539,914 97	558,669 95	636,694 13	597,913 45	680,850 56
April.....	363,999 49	339,354 79	335,999 07	335,393 51	543,960 64	553,189 73	554,560 75	600,577 77	607,351 18	591,635 62
May.....	432,644 06	311,265 90	349,882 87	421,036 92	616,198 16	543,535 45	559,577 13	645,799 67	652,661 51	591,091 00
June.....	451,032 52	353,981 90	359,456 55	447,793 50	617,523 94	635,359 53	617,250 48	697,507 51	663,089 74	591,300 21
July.....	403,670 71	305,927 51	433,473 32	536,843 30	708,906 23	675,204 74	702,635 43	731,503 98	720,944 17	668,392 70
August.....	510,794 74	491,737 69	553,373 53	553,532 09	761,119 69	769,751 47	856,397 95	896,556 44	839,903 55	735,004 63
September.....	524,944 17	480,983 10	443,534 66	638,511 30	767,845 64	774,790 21	912,691 79	934,945 57	916,964 08	755,585 36
October.....	533,568 35	445,597 34	495,921 32	668,163 73	735,199 16	771,843 53	838,673 70	901,613 75	899,037 23	797,046 91
November.....	367,898 43	391,616 08	369,373 30	601,100 75	696,775 53	673,380 22	749,915 69	801,187 33	753,556 74	735,098 28
December.....	374,351 40	315,799 55	340,947 81	553,014 43	543,732 99	646,513 27	701,065 80	749,319 96	692,711 51	703,935 87
Total.....	\$4,930,588 69	\$4,464,843 08	\$4,671,519 13	\$5,755,577 19	\$7,667,225 96	\$7,357,740 42	\$8,215,495 13	\$8,810,610 26	\$8,709,274 23	\$7,993,169 33
Expenses, including taxes.	\$2,804,230 49	\$2,457,795 27	\$2,660,190 76	\$3,171,456 99	\$4,303,241 27	\$4,331,375 00	\$4,654,503 50	\$5,097,033 63	\$5,073,330 18	\$4,613,847 40
Profits.....	\$2,126,358 20	\$2,006,577 81	\$2,011,328 37	\$2,584,120 20	\$3,477,984 71	\$3,026,365 42	\$3,560,991 63	\$3,713,576 76	\$3,635,944 04	\$3,380,321 93

H — Freight Statistics and Comparisons.

	1881.	1882.	1883.	1884.	1885.	INCREASE.	PER CENT.	DECREASE.	PER CENT.
Tonnage of Freight Transported.....	3,275,004	3,522,840	3,488,496	3,598,284	3,631,108	32,824	0.91%		
Tonnage of Local Freight.....	2,475,953	2,749,865	2,617,313	2,617,904	2,741,801	123,897	4.73%		
Percentage of Whole Tonnage—Local	75.30%	78.04%	75.03%	72.74%	75.51%	02.76%	3.70%		
Tonnage of Through Freight.....	799,051	772,975	871,183	980,380	889,307			91,073	9.29%
Percentage of Whole Tonnage—Through.....	24.70%	21.96%	24.97%	27.26%	24.49%			02.76%	10.70%
Revenue Freight Carried One Mile, in Tons.....	447,009,977	474,823,908	549,369,534	602,768,054	538,522,438			64,245,556	10.55%
Average Rate per Ton per Mile on Revenue Freight.....	01.441	01.261	01.238	01.001	01.000	00.002	00.100%		
Average Distance each Ton was Carried.....	136.106	134.106	157.106	167.106	148.106			19.000	11.46%

I — Freight Transported.

ARTICLES.		1879.	1880.	1881.	1882.	1883.	1884.	1885.	INCREASE.	DECREASE.
Merchandise and Sundries...										
Iron.....	Tons.	897,935	412,471	481,749	504,486	818,980	580,186	613,731	53,586	
Coal.....	"	180,968	938,245	880,890	921,394	1,117,196	1,517,870	1,158,075	90,406	
Brick.....	"	817,831	938,245	1,180,841	1,363,641	1,410,540	1,973,880	1,890,815	113,536	
Brick and Mill Stuff.	"	31,790	41,536	24,375	34,569	84,704	32,740	42,739	10,019	
Wool.....	"	1,084	1,084	4,310	6,145	5,657	5,768	5,738	0	
Dressed Hogs.....	"	142	2,186							
Hides.....	"	3,448	3,448	3,388	5,791	5,016	4,180	5,815	1,185	
Broom Corn.....	"	10,787	9,476	15,843	15,733	2,840	19,581	1,939		1,988
Hay.....	"	48,073	68,931	49,741	15,028	17,698	10,383	97,880	7,989	
Brick and Sand.....	"	18,418	12,985	25,195	10,871	11,076	100,232	164,124	63,891	
Stone.....	"	19,897	46,837	73,681	79,543	72,574	70,887	5,876		4,312
Wheat.....	Bushels	5,919,461	6,251,706	3,894,973	6,127,081	5,353,611	6,593,684	9,393,673		3,893
Corn.....	"	9,633,131	12,733,106	8,804,712	9,573,923	10,469,767	10,469,767	8,143,310		8,692,001
Oats.....	"	1,818,629	1,646,268	2,328,703	3,594,075	2,684,499	3,454,577	3,838,310		2,866,474
Barley.....	"	1,619,087	1,168,166	410,791	1,363,716	993,975	815,489	453,688		
Rye.....	"	248,746	616,419	240,833	383,517	408,190	161,419	51,368		77,001
Potatoes.....	"	948,078	846,617	940,833	383,513	408,190	61,419	328,088		
Flour.....	"	9,923	1,000,006	689,036	794,875	534,570	645,086	594,308	166,610	118,882
Whisky.....	"	9,923	11,424	2,791	13,083	12,586				
Beef.....	"	80,313	1,454	10,166	17,085	18,245	16,194	14,454		1,740
Pork.....	"	59,318	40,130	63,863	120,365	99,023	65,670	31,324		4,866
Lard.....	"	68,418	51,368	71,188	134,374	57,815	16,532	97,468	94,779	
Salt.....	"	111,587,790	82,181	172,558,394	184,843,738	59,639	111,983	97,468		14,117
Lumber.....	Feet.	111,587,790	117,030,612	172,558,394	144,843,738	166,098,515	182,386,340	134,635,985		48,880,347
Shingles.....	"	47,648	4,444	2,046	8,414	2,488				
Leath.....	"	15,640	8,440	9,000						
Feats, Staves, etc.	"	1,460	7,454	2,786	16,471	14,327	16,179	15,581		866
Cattle.....	No.	200,614	244,075	2,786	904,579	900,516	968,074	984,785	16,161	
Hogs.....	"	29,511	686,014	687,485	915,879	770,631	940,017	1,031,335	71,309	
Sheep.....	"	59,810	142,351	687,485	161,543	107,070	147,943	107,314		40,332
Hides.....	"	15,932	97,279	142,351	151,543	151,543	151,543	14,584		737
Wool.....	"	477,034	16,717	14,193	15,187	511,746	518,179	54,778	29,000	
Mill.....	"	67,034	353,270	500,548	48,548	8,481	10,089	5,793		3,771
Curved Meats.....	Gallons	5,733	3,201	4,763	7,190	11,631	10,089	30,068	10,038	
Canned Meats.....	"	29,528	4,346							
Butter.....	"	3,398	4,346							
Brillon.....	"	315,546	408,008							
Railroad Ties.....	No.									1,374
Seeds.....	"			97	20,927	148,735	148,735	4,843		138,596
Clay.....	Tons.				1,181	1,397	6,578	3,300		575
Drain Tile.....	"				1,469	13,898	6,781	8,044		3,667
Lime.....	"				2,467	13,898	10,784	11,022	698	
Straw Boards.....	"				723	4,888	11,557	8,063		2,514
							6,033	8,068	2,375	

K—*Statement of Gross Earnings from Shipments of Farm Products in Missouri.*

YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent. of Gross Earnings on F st Traffic in Missouri.	Per cent. of Gross Earnings on all Traffic in Missouri.
1881.....	\$ 42,840 00	\$ 22,680 00	\$ 8,700 00	\$107,134 00	\$ 92,848 00	\$21,460 00	\$301,662 00	23.75	17.75
1882.....	177,231 00	37,651 00	12,615 00	67,920 00	62,440 00	39,567 00	397,424 00	29.75	20.75
1883.....	122,626 55	114,933 34	11,447 70	109,060 00	75,960 00	20,992 73	455,089 33	26.75	18.75
1884.....	106,493 29	42,416 77	9,324 26	81,440 00	84,440 00	16,042 17	340,658 49	19.75	13.75
1885.....	50,473 04	29,973 42	8,281 03	104,560 00	78,640 00	15,446 01	282,373 50	30.75	13.75
Increase in 1885.....	.....	.....	.....	23,120 00	.....	.....	.....	1.75	0.75
Decrease in 1885.....	56,020 25	12,444 85	6,548 28	.....	5,800 00	596 16	58,388 99	.....	.....

L.—*Mileage of Cars and Details of Mileage, 1884 and 1885.*

	1884.	1885.	INCREASE.	DECREASE.	PER CENT.
Miles run by C. & A. Sleeping Cars on C. & A. R. R.....	687,449	922,495	235,046	.....	34.191
Miles run by Foreign Sleeping Cars on C. & A. R. R.....	911,167	470,536	.....	440,631	48.358
Miles run by Dining Cars on C. & A. R. R.....	203,789	204,561	772	.....	00.379
Miles run by C. & A. Coaches on C. & A. R. R.....	5,567,121	5,530,080	.....	37,041	00.666
Miles run by C. & A. Coaches on Foreign Roads.....	10,356	9,240	.....	1,116	10.166
Miles run by Foreign Conches on C. & A. R. R.....	49,530	38,029	.....	11,501	23.226
Miles run by Pay Car.....	34,336	28,441	.....	5,895	17.168
Miles run by C. & A. Mail, Express and Postal Cars on C. & A. R. R.	2,622,638	2,555,539	.....	67,099	02.558
Miles run by Foreign Baggage, Mail and Ex. Cars on C. & A. R. R.	4,073	4,311	238	.....	05.766
Number of C. & A. R. R. Cars hauled Loaded, in Regular Service.	679,392	656,591	.....	22,801	03.356
Mileage of C. & A. R. R. Cars hauled Loaded, in Regular Service.	38,281,973	35,660,692	.....	2,621,281	06.846
Number of C. & A. R. R. Cars hauled Empty, in Regular Service.	286,950	295,170	8,220	.....	02.156
Mileage of C. & A. R. R. Cars hauled Empty, in Regular Service.	14,350,410	14,275,774	.....	74,636	00.520
Number of C. & A. R. R. Cars hauled Loaded, in Construction Trains.	63,147	55,015	.....	8,132	12.716
Mileage of C. & A. R. R. Cars hauled Loaded, in Construction Trains	1,462,398	1,471,380	8,982	.....	00.614
Number of C. & A. R. R. Cars hauled Empty, in Construction Trains	68,210	58,558	.....	9,652	14.160
Mileage of C. & A. R. R. Cars hauled Empty, in Construction Trains	1,593,852	1,601,814	7,962	.....	00.496
Number of Foreign and Line Cars hauled Loaded.....	287,582	263,224	.....	24,358	08.486
Mileage of Foreign and Line Cars hauled Loaded.....	16,067,128	14,925,114	.....	1,142,014	10.666
Number of Foreign and Line Cars hauled Empty.....	135,650	134,057	.....	1,593	01.166
Mileage of Foreign and Line Cars hauled Empty.....	6,730,452	6,464,329	.....	266,123	03.966
Whole Number of Loaded Cars hauled, in Regular Service.....	966,974	919,815	.....	47,159	04.866
Mileage of Loaded Cars hauled, in Regular Service.....	54,349,101	49,985,806	.....	4,363,295	08.166
Whole Number of Empty Cars hauled, in Regular Service.....	422,600	429,227	6,627	.....	01.566
Mileage of Empty Cars hauled, in Regular Service.....	21,080,862	20,740,103	.....	340,759	01.566

L— Mileage of Cars, etc.— (Continued.)

	1884.	1885.	INCREASE.	DECREASE.	PER CENT.
Whole Number of Cars hauled, in Regular Service, Loaded and Empty.....	1,389,574	1,349,042	.....	40,532	02.917
Total Freight Mileage, Cars hauled, in Regular Service, Loaded and Empty.....	75,429,963	70,725,909	.....	4,704,054	06.236
Per Cent. of whole Mileage, Loaded.....	72.953	70.515	.....	01.377	01.911
Per Cent. of whole Mileage, Empty.....	27.046	29.486	01.311	.....	04.861
Mileage of C. & A. Freight Cars on Foreign Roads.....	18,492,408	18,138,062	.....	359,344	01.955
Total Mileage of C. & A. Freight Cars.....	74,181,039	71,142,722	.....	3,038,317	04.155
Average Revenue Tonnage of each Loaded Car hauled, in Regular Service.....	11,991	10,733	.....	318	02.867
Average Revenue Tonnage of each Car hauled, in Regular Service, Loaded and Empty.....	07,991	07,514	.....	377	04.717
Tonnage of Company's Freight not embraced in above figures....	458,956	367,003	.....	91,953	20.036

K—Statement of Gross Earnings from Shipments of Farm Products in Missouri.

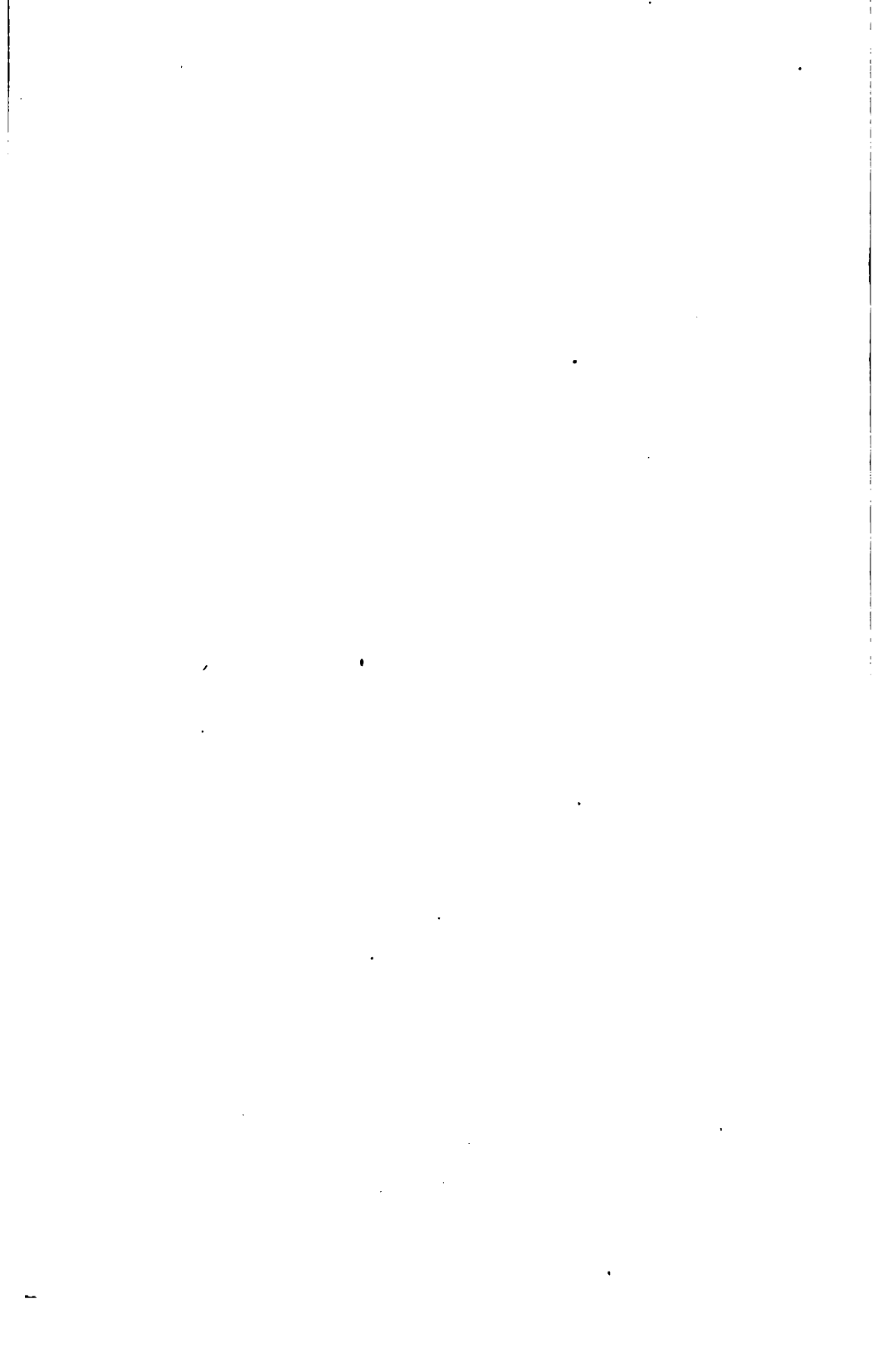
YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent of Gross Earnings on F-r Traffic in Missouri.	Per cent of Gross Earnings on all Traffic in Missouri.
1881.....	\$ 49,840 00	\$ 22,680 00	\$ 8,700 00	\$107,134 00	\$ 92,848 00	\$21,460 00	\$801,663 00	23.0%	17.0%
1882.....	177,231 00	87,651 00	12,615 00	67,920 00	62,440 00	39,567 00	897,424 00	29.5%	20.2%
1883.....	122,626 55	114,932 84	11,447 70	109,080 00	75,960 00	20,992 78	455,089 82	26.8%	13.7%
1884.....	106,493 29	42,416 77	9,324 26	81,440 00	84,440 00	16,042 17	340,666 49	19.1%	13.7%
1885.....	50,473 04	29,973 42	3,281 08	104,560 00	78,640 00	15,446 01	282,873 50	20.5%	13.3%
Increase in 1885.....	.....	.....	.....	28,120 00	.....	.....	.....	1.9%	0.1%
Decrease in 1886.....	56,020 25	12,444 85	6,543 23	.....	5,800 00	596 16	58,283 99	.....	.....

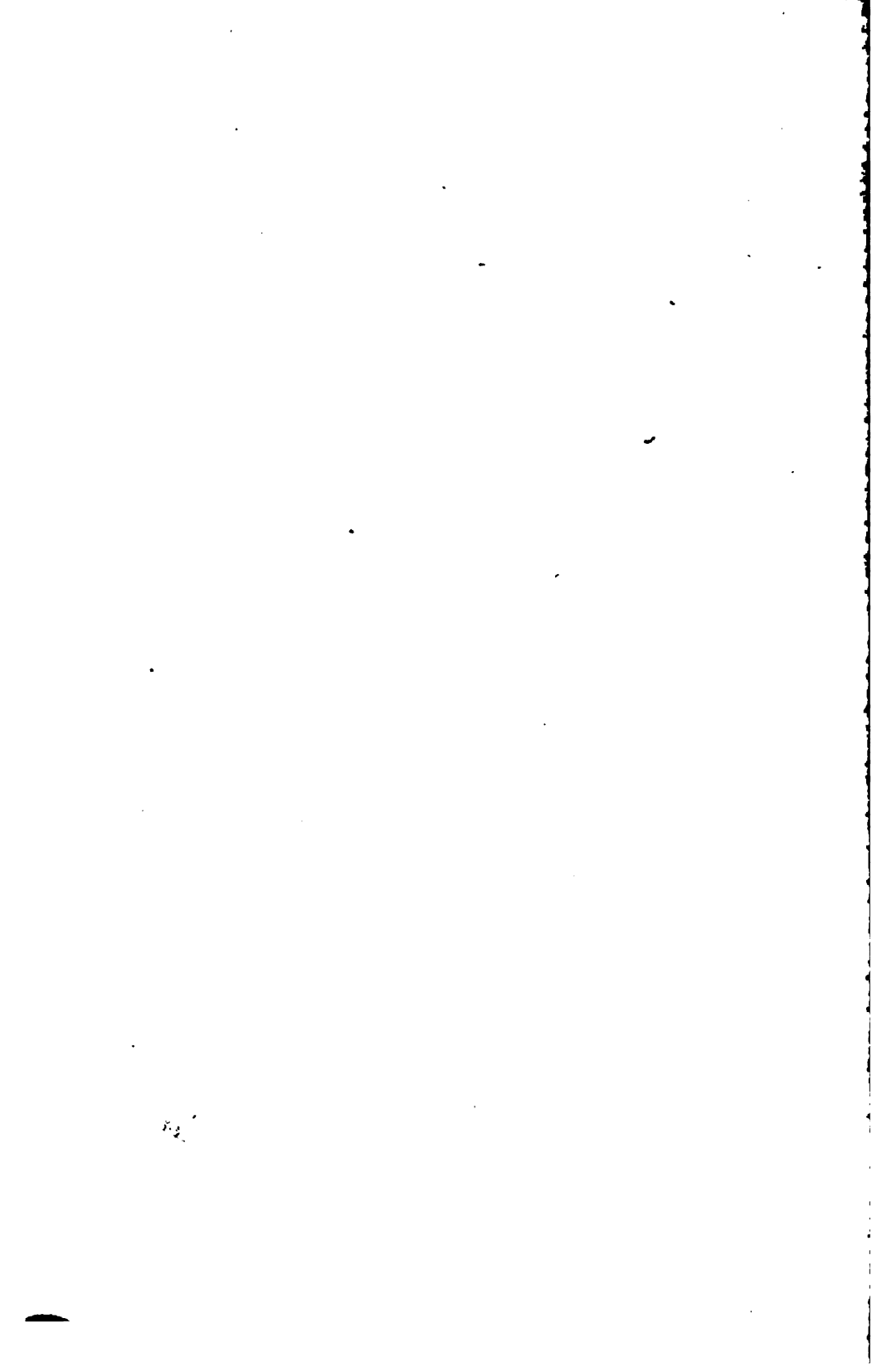
L—*Mileage of Cars and Details of Mileage, 1884 and 1885.*

	1884.	1885.	INCREASE.	DECREASE.	PER CENT.
Miles run by C. & A. Sleeping Cars on C. & A. R. R.....	687,449	922,495	235,046	.....	34,181 ¹ / ₆
Miles run by Foreign Sleeping Cars on C. & A. R. R....	911,167	470,536	.....	440,631	48,359 ¹ / ₆
Miles run by Dining Cars on C. & A. R. R.....	203,789	204,561	772	.....	00,772 ¹ / ₆
Miles run by C. & A. Coaches on C. & A. R. R.....	5,567,121	5,530,080	.....	37,041	00,888 ¹ / ₆
Miles run by C. & A. Coaches on Foreign Roads.....	10,356	9,240	.....	1,116	10,776 ¹ / ₆
Miles run by Foreign Coaches on C. & A. R. R.....	49,530	38,029	.....	11,501	23,388 ¹ / ₆
Miles run by Pay Car.....	34,336	28,441	.....	5,895	17,169 ¹ / ₆
Miles run by C. & A. Mail, Express and Postal Cars on C. & A. R. R.	2,622,638	2,555,539	.....	67,099	02,666 ¹ / ₆
Miles run by Foreign Baggage, Mail and Ex. Cars on C. & A. R. R.	4,073	4,311	238	.....	05,888 ¹ / ₆
Number of C. & A. R. R. Cars hauled Loaded, in Regular Service.	679,392	656,591	.....	22,801	03,355 ¹ / ₆
Mileage of C. & A. R. R. Cars hauled Loaded, in Regular Service.	38,281,973	35,600,692	.....	2,621,281	06,800 ¹ / ₆
Number of C. & A. R. R. Cars hauled Empty, in Regular Service.	286,950	295,170	8,220	.....	02,888 ¹ / ₆
Mileage of C. & A. R. R. Cars hauled Empty, in Regular Service.	14,350,410	14,275,774	.....	74,636	00,888 ¹ / ₆
Number of C. & A. R. R. Cars hauled Loaded, in Construction Trains	63,147	55,015	.....	8,132	12,776 ¹ / ₆
Mileage of C. & A. R. R. Cars hauled Loaded, in Construction Trains	1,462,398	1,471,380	8,982	.....	00,511 ¹ / ₆
Number of C. & A. R. R. Cars hauled Empty, in Construction Trains	68,210	58,558	.....	9,652	14,776 ¹ / ₆
Mileage of C. & A. R. R. Cars hauled Empty, in Construction Trains	1,593,852	1,601,814	7,962	.....	00,888 ¹ / ₆
Number of Foreign and Line Cars hauled Loaded.....	287,582	263,224	.....	24,358	08,466 ¹ / ₆
Mileage of Foreign and Line Cars hauled Loaded.....	16,067,128	14,325,114	.....	1,742,014	10,888 ¹ / ₆
Number of Foreign and Line Cars hauled Empty.....	135,650	134,057	.....	1,593	01,166 ¹ / ₆
Mileage of Foreign and Line Cars hauled Empty.....	6,730,452	6,464,329	.....	266,123	03,066 ¹ / ₆
Whole Number of Loaded Cars hauled, in Regular Service.....	986,974	919,815	.....	47,159	04,877 ¹ / ₆
Mileage of Loaded Cars hauled, in Regular Service.....	54,349,101	49,985,806	.....	4,363,295	08,988 ¹ / ₆
Whole Number of Empty Cars hauled, in Regular Service.....	422,600	429,227	6,627	.....	01,666 ¹ / ₆
Mileage of Empty Cars hauled, in Regular Service.....	21,080,862	20,740,103	.....	340,759	01,811 ¹ / ₆

I — Mileage of Cars, etc. — (Continued.)

	1884.	1885.	INCREASE.	DECREASE.	PER CENT.
Whole Number of Cars hauled, in Regular Service, Loaded and Empty.....	1,389,574	1,349,042	.....	40,532	02.917
Total Freight Mileage, Cars hauled, in Regular Service, Loaded and Empty.....	75,429,963	70,725,909	.....	4,704,054	06.235
Per Cent. of whole Mileage, Loaded.....	72,000	70,000	.....	01,000	01.000
Per Cent. of whole Mileage, Empty.....	27,963	29,909	01,946	.....	04.237
Mileage of C. & A. Freight Cars on Foreign Roads.....	18,492,406	18,133,062	.....	359,344	01.943
Total Mileage of C. & A. Freight Cars.....	74,181,039	71,142,722	.....	3,038,317	04.100
Average Revenue Tonnage of each Loaded Car hauled, in Regular Service.....	11,921	10,713	.....	1,208	02.867
Average Revenue Tonnage of each Car hauled, in Regular Service, Loaded and Empty.....	07,931	07,614	.....	317	04.100
Tonnage of Company's Freight not embraced in above figures...	458,956	367,003	91,953	20.100





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CHICAGO & ALTON

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TWENTY-FOURTH ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

CHICAGO & ALTON

RAILROAD COMPANY,

FOR THE

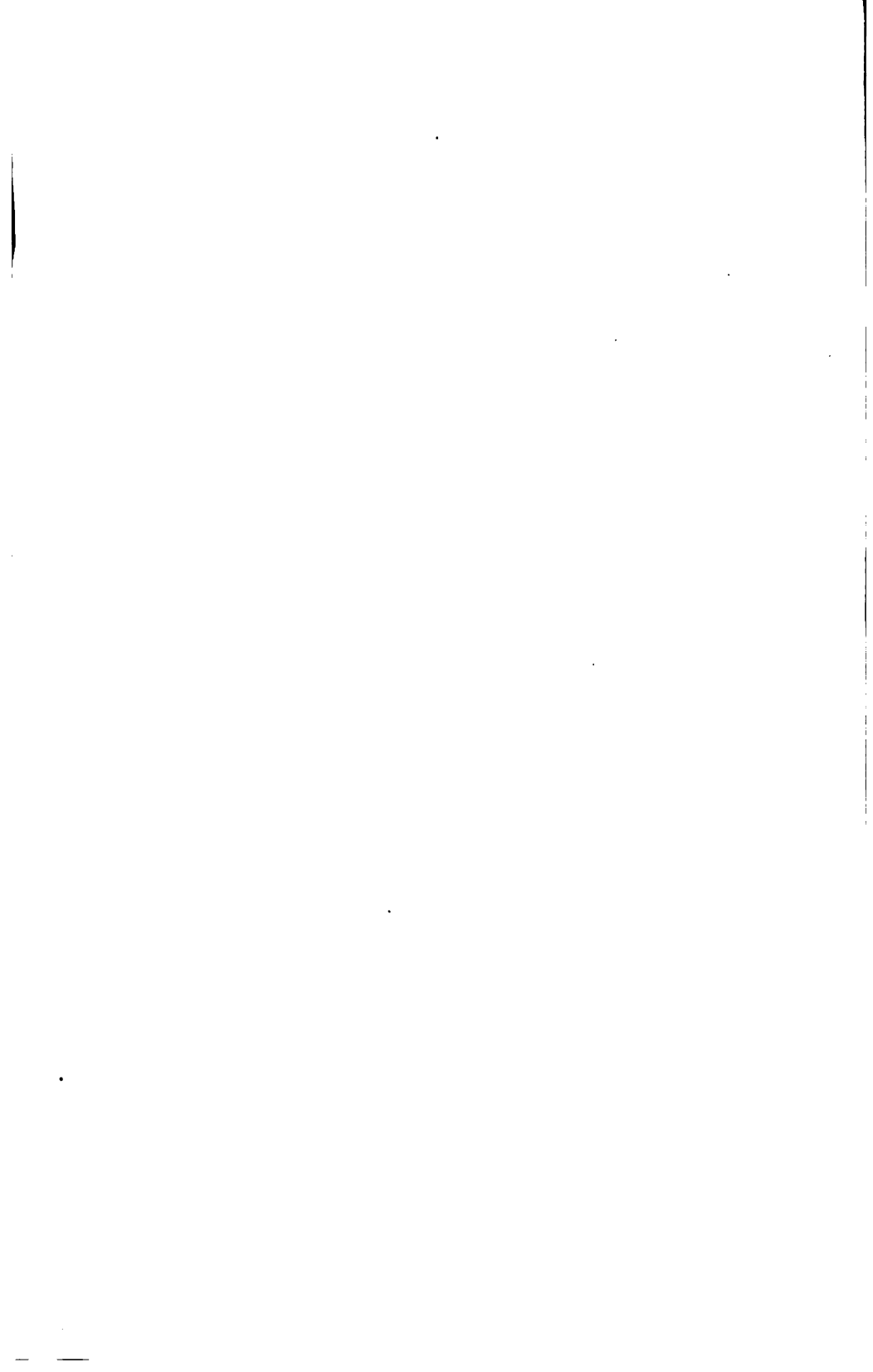
YEAR ENDING DECEMBER 31ST, 1886.

ISSUED FEBRUARY, 1887.

CHICAGO:

RAND, McNALLY & Co., PRINTERS, 148-154 MONROE ST.

1887.



DIRECTORS.

GEORGE STRAUT.....	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1887.
JAMES C. McMULLIN	CHICAGO, ILL.	
WILLIAM A. SLATER.....	NORWICH, CONN.	
JOHN CRERAR.	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1888.
LORENZO BLACKSTONE.....	NORWICH, CONN.	
JOHN J. MITCHELL.....	ST. LOUIS, MO. ^d	
T. B. BLACKSTONE.....	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1889.
JOHN B. DRAKE.....	CHICAGO, ILL.	
MORRIS K. JESUP.....	NEW YORK.	

OFFICERS.

T. B. BLACKSTONE.....	<i>President.</i>
J. C. McMULLIN.....	<i>Vice-President.</i>
CHARLES H. FOSTER.....	<i>Secretary and Treasurer.</i>
CHAUNCEY KELSEY.....	<i>Auditor.</i>
C. BECKWITH.....	<i>General Solicitor.</i>
CHARLES H. CHAPPELL....	<i>General Manager.</i>
T. M. BATES.....	<i>Superintendent of Transportation.</i>
J. H. WOOD.	<i>General Manager's Assistant.</i>
H. H. COURTRIGHT.....	<i>General Freight Agent.</i>
JAMES CHARLTON.....	<i>General Passenger and Ticket Agent.</i>
K. F. BOOTH.....	<i>Chief Engineer.</i>
WM. WILSON	<i>Superintendent of Machinery and Cars.</i>
A. V. HARTWELL	<i>Purchasing Agent.</i>
A. M. RICHARDS.....	} <i>Division Superintendents.</i>
S. D. REEVE.....	

DIRECTORS' TWENTY-FOURTH ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company :

The Board of Directors submit the following Report for the year ending December 31, A. D. 1886 :

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS		
Chicago to Joliet.....	37.20	40.30	27.91	105.41
Joliet to East St. Louis.....	243.50	22.46	71.35	337.31
Coal City Branch.....	29.76	.....	9.56	39.32
Dwight to Washington and Lacon.....	79.80	.....	7.22	87.02
Roodhouse to Louisiana.....	88.10	.....	9.42	47.52
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.....	158.00	.....	16.61	174.61
Louisiana & Missouri River Railroad...	100.80	.....	17.01	117.81
Mexico to Kansas City.....	161.82	0.87	32.86	195.05
Total Miles	848.98	63.63	191.44	1,104.05

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares.....	14,110,800 00
Total amount of Stock.....	<u>\$17,590,300 00</u>

FIXED CHARGES AND FUNDED DEBT.

First Mortgage Chicago & Alton 7 per cent. Bonds, due January 1, 1898.....	\$2,888,000 00	
St. Louis, Jacksonville & Chicago Railroad First Mortgage 7 per cent. Bonds, maturing April 1, 1894, assumed by this Company.....	2,929,000 00	
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Bonds, maturing July 1, 1898, assumed by this Company.....	188,000 00	
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Convertible Bonds, maturing July 1, 1898, assumed by this Company.....	44,000 00	
Louisiana & Missouri River Railroad Company's First Mortgage 7 per cent. Bonds, due August 1, 1900, assumed by our Company in settlement of Accounts under Contract for Construction, dated July 5, A. D. 1870.....	489,100 00	
Chicago & Alton Sinking Fund 6 per cent. Gold Bonds, maturing May 1, 1903.....	2,492,000 00	
Consolidated Chicago & Alton 6 per cent. Sterling Bonds, due July 1, 1903—£900,000, say.....	\$4,879,850 00	
Mississippi River Bridge Company's First Mortgage Sinking Fund 6 per cent. Bonds, due October 1, 1912, assumed by our Company under terms of lease.....	665,000 00	
Total amount of Bonds.....	<u>\$18,519,950 00</u>	
Joliet and Chicago Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed,	1,500,000 00	
Mississippi River Bridge Company's Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	800,000 00	
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent. annual dividends are guaranteed,	1,750,000 00	
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent. per annum, are contingent upon gross earnings....	271,700 00	8,821,700 00
Total.....	<u>\$34,931,950 00</u>	

The Louisiana & Missouri River Railroad is operated by our Company under a lease, which, by its terms, is to continue one thousand years from the first day of August, A. D. 1870. The lease provides that each year all taxes and assessments shall be deducted from the gross earnings of the road, and 35 per cent. of the remainder shall be the amount of rent for that year.

All other lines of railway operated by our Company, its bridges over the Mississippi and Missouri Rivers, and other property pertaining to such lines, are owned by it subject to the several mortgages and fixed annual charges above stated.

Thirty shares of the common stock of this Company have been issued during the year, in exchange for an equal number of shares of the common stock of the St. Louis, Jacksonville & Chicago Railroad Company, pursuant to the agreement between that Company and the Chicago & Alton Railroad Company, dated April 14, 1884.

Eighty-one Thousand Dollars of the 6 per cent. Sinking Fund Gold Bonds of our Company, and Ten Thousand Dollars of the Bonds of the Mississippi River Bridge Company have been redeemed and canceled, on account of Sinking Funds, during the year.

GROSS EARNINGS.

PER CENT.	1885.		1886.	PER CENT.
27 ⁴⁴ / ₁₀₀	\$2,209,502 01	From Passengers	\$2,811,041 09	28 ⁴⁷ / ₁₀₀
67 ⁸⁸ / ₁₀₀	5,482,638 88	" Freight	5,892,058 58	66 ⁸⁸ / ₁₀₀
01 ⁸⁸ / ₁₀₀	158,636 48	" Express	168,068 63	02 ⁹² / ₁₀₀
01 ⁷⁰ / ₁₀₀	187,199 55	" Mails	188,041 75	01 ⁸⁸ / ₁₀₀
00 ⁸² / ₁₀₀	55,208 01	" Miscellaneous	58,429 84	00 ⁷² / ₁₀₀
	\$7,998,169 38	.....Total Earnings.....	\$8,060,689 84	

The Gross Earnings from Traffic in 1886, compared with those of 1885, were as follows :

	INCREASE.		DECREASE.	
	AMOUNT.	PER CENT.	AMOUNT.	PER CENT.
From Passenger Traffic	\$101,589 08	04 ⁸⁸ / ₁₀₀		
" Freight			\$40,574 80	00 ⁷⁴ / ₁₀₀
" Express	4,442 20	02 ¹ / ₁₀₀		
" Mail			1,157 80	00 ⁸⁴ / ₁₀₀
" Miscellaneous Sources	3,221 88	05 ⁸² / ₁₀₀		

Increase in Gross Earnings in 1886, compared with those of the preceding year, \$67,470.01, or 00⁸⁴⁴/₁₀₀₀ per cent.

OPERATING EXPENSES.

PER CENT.	1885.		1886.	PER CENT.
80 ⁴²⁷ / ₁₀₀₀	\$1,412,782 72	For Conducting Transportation.	\$1,476,954 75	81 ⁷⁵⁸ / ₁₀₀₀
80 ¹⁹² / ₁₀₀₀	1,388,553 98	" Motive Power	1,355,552 27	29 ¹⁴⁴ / ₁₀₀₀
27 ⁸⁸ / ₁₀₀₀	1,248,603 81	" Maintenance of Way	1,337,540 81	28 ⁷⁸⁸ / ₁₀₀₀
12 ²⁹⁸ / ₁₀₀₀	562,906 89	" Maintenance of Cars	480,907 35	10 ²⁴⁸ / ₁₀₀₀
	\$4,612,847 40	.....Total	\$4,650,955 18	

The expenditures for operating and maintaining our railroad, compared with those of the preceding year, were as follows :

	INCREASE.		DECREASE.	
	AMOUNT.	PER CENT.	AMOUNT.	PER CENT.
For Conducting Transportation....	\$64,172 03	04.54% 1886	.....	.....
" Motive Power.....	.....	.....	\$33,001 71	02.28% 1886
" Maintenance of Way.....	88,937 00	07.22% 1886	.....	.....
" Maintenance of Cars.....	.....	.....	81,999 54	14.87% 1886

Increased expenditures as above, compared with those of preceding year, \$38,107.78, or 00.82%
1886 per cent.

SUMMARY OF EARNINGS AND EXPENSES.

1885.		1886.
\$7,998,169 33	..... Earnings from all sources.....	\$8,060,639 34
4,612,847 40	..... Operating Expenses	4,650,955 18
3,380,321 93	..... Net Earnings.....	3,409,684 16
57.79% 1886	.. Operating Expenses per cent. of Gross Earnings..	57.79% 1886

Increase in Gross Earnings.....	\$67,470 01
Increase in Operating Expenses.....	88,107 78
Increase in Net Earnings.....	\$29,362 23

The increase in Net Earnings in 1886 compared with the Net Earnings in 1885, is 00.84%
1886 per cent.

EARNINGS PER MILE.

1885.		1886.
\$9,413 92	..... Gross Earnings per mile of Road.....	\$9,493 38
5,432 76	..... Operating Expenses per mile of Road.....	5,477 64
\$3,981 16	..... Net Earnings per mile of Road.....	\$4,015 74

TOTAL GROSS EARNINGS FROM FARM PRODUCTS SHIPPED AT LOCAL STATIONS.

Years.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois.	Gross Earnings on Shipments of Farm Products from Local Stations in Missouri.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois and Missouri.	Per Cent. of Gross Earnings on Freight Traffic.	Per Cent. of Gross Earnings on all Traffic.
1881	\$799,324 00	\$301,662 00	\$1,100,986 00	19.545 1000	14.557 1000
1882	768,813 00	397,424 00	1,166,237 00	19.485 1000	14.195 1000
1883	576,792 90	455,089 32	1,031,882 22	16.545 1000	11.711 1000
1884	528,614 67	340,656 49	869,271 16	14.512 1000	09.821 1000
1885	599,919 83	282,372 50	882,292 33	16.741 1000	11.925 1000
1886	710,747 97	307,541 89	1,018,289 86	18.555 1000	12.555 1000
Increase over 1885	\$110,828 14	\$25,169 39	\$135,997 53	02.544 1000	01.555 1000

The foregoing tabular statement shows that about one-eighth of the Gross Earnings of our lines during the last year was derived from the transportation of Farm Products shipped at local stations, and that about 19 per cent. of the Freight Earnings during the year was derived from that traffic. Statements in detail, of which the foregoing is a summary, will be found in the Appendix to this Report.

INCOME ACCOUNT.

By balance December 31, 1885.....	\$2,384,514 66
By interest on Bonds, Dividends on Stocks owned by our Company, and Sundry Receipts.....	282,654 29
By Gross Receipts from Traffic.....	8,060,689 84
	<u>\$10,727,808 29</u>

DISBURSEMENTS.

Interest on Funded Debt.....	\$ 886,381 33	
Dividends.....	1,407,224 00	
Rent paid Joliet & Chicago R. R. Co.....	106,350 00	
“ “ Louisiana & Missouri River R. R. Co.....	188,510 92	
“ “ Kansas City, St. Louis & Chicago R. R. Co.....	336,016 10	
“ “ Mississippi River Bridge Co.....	71,000 00	
Paid for Sinking Fund Bonds purchased.....	101,132 75	
Paid from this Account for additional property, Cars, Real Estate, New Buildings and New Tracks	254,133 68	
Profit and Loss	984 49	
Operating Expenses.....	<u>4,650,955 18</u>	
		<u>7,952,588 39</u>
Balance, December 31, 1886.....		\$2,775,219 90

The schedule of rolling stock owned and used by our Company at the close of the year is as follows :

LOCOMOTIVES.

Locomotives with 6 Driving Wheels and 4 Leading Wheels.....	18
“ “ 6 “ “ 2 “ “	11
“ “ 4 “ “ 4 “ “	164
“ “ 4 “ “ Switching	38
“ “ 6 “ “ “	2
Total.....	228

CARS IN PASSENGER SERVICE.

The number of cars used in Passenger Trains, and owned by our Company, is..	119
Pullman Sleeping Cars on our Lines.....	19
Total.....	138

CARS IN FREIGHT SERVICE.

House Cars (including 20 Refrigerator Cars)....	3,528
Stock Cars.....	1,848
Platform and Coal Cars	1,360
Drovers' and Caboose Cars	100
Tool and Boarding Cars	16
Total.....	6,847

Three hundred house cars, included in the foregoing statement, were constructed during the last year for use in the “Blue Line.”

PERMANENT WAY.

Our Company has tracks with steel and with iron rails, as follows :

Number of Miles of Main Track on Main Lines laid with Steel.....	753.05
Number of Miles of Main Track on Branch Lines laid with Steel.....	116.78
Number of Miles of Main Track on Branch Lines laid with Iron	42.83
Number of Miles of Side Tracks laid with Iron	94.29
Number of Miles of Side Tracks laid with Steel.....	97.15
Total.....	1,104 05

BALLAST.

Gravel suitable for ballasting is found at only one place on our lines, and rock which is accessible is found only near Joliet, Alton and Pearl in Illinois, and near Blue Springs in Missouri.

Cinders from blast furnaces and other sources within our reach can be obtained in small quantities only.

The small number of places on our lines at which ballasting material can be obtained makes it necessary to transport such material long distances, and limits the amount of such work that can be done each year.

During the last year 72.63 miles of road-bed were ballasted with rock, 20.57 miles with gravel, and 5 miles with cinders, making a total during the year of 98.20 miles.

The total number of miles of road-bed, excluding side tracks, ballasted and unballasted at the close of the year was as follows :

Ballasted with Stone.....	802.81
" " Gravel.....	199.47
" " Cinder.....	162.83
" " Stone and Cinder.....	5.68
Unballasted, mainly Branch Lines.....	242.37
Total.....	912.61

Five thousand and forty-two tons of new steel rails, and two hundred and ninety thousand one hundred and seven new cross-ties have been laid in tracks during the last year.

The draw span 300 feet in length, and one fixed span 150 feet in length, in the bridge over the Illinois River, have been rebuilt with iron during the last year. Several other bridges of shorter length have also been replaced with iron during the year.

The aggregate length of wooden bridges of spans exceeding 20 feet, on all our lines at the close of the year, is about 350 feet.

There was consumed, in operating our railroad during the year, 269,614 tons of coal ; average cost per ton on locomotive tenders, \$1.17. Also 6,590 cords of wood ; average cost, \$2.21 per cord.

The amount paid for labor and personal services in all departments during the year was \$2,917,217.70.

The average number of men employed during the year was 4,380.

Of the amount of operating expenses, excluding taxes, 66 $\frac{4}{5}$ per cent. was paid for labor and personal services, 29 $\frac{4}{5}$ per cent. for supplies of various kinds, and 4 $\frac{2}{5}$ per cent. for miscellaneous expenses.

The railroad and all its appurtenances have been maintained in good condition, and many improvements have been made.

The acknowledgments of the Board are due to the officers in charge of the several departments, and the men employed under their direction, for the faithful and efficient discharge of the duties imposed upon them during the last year.

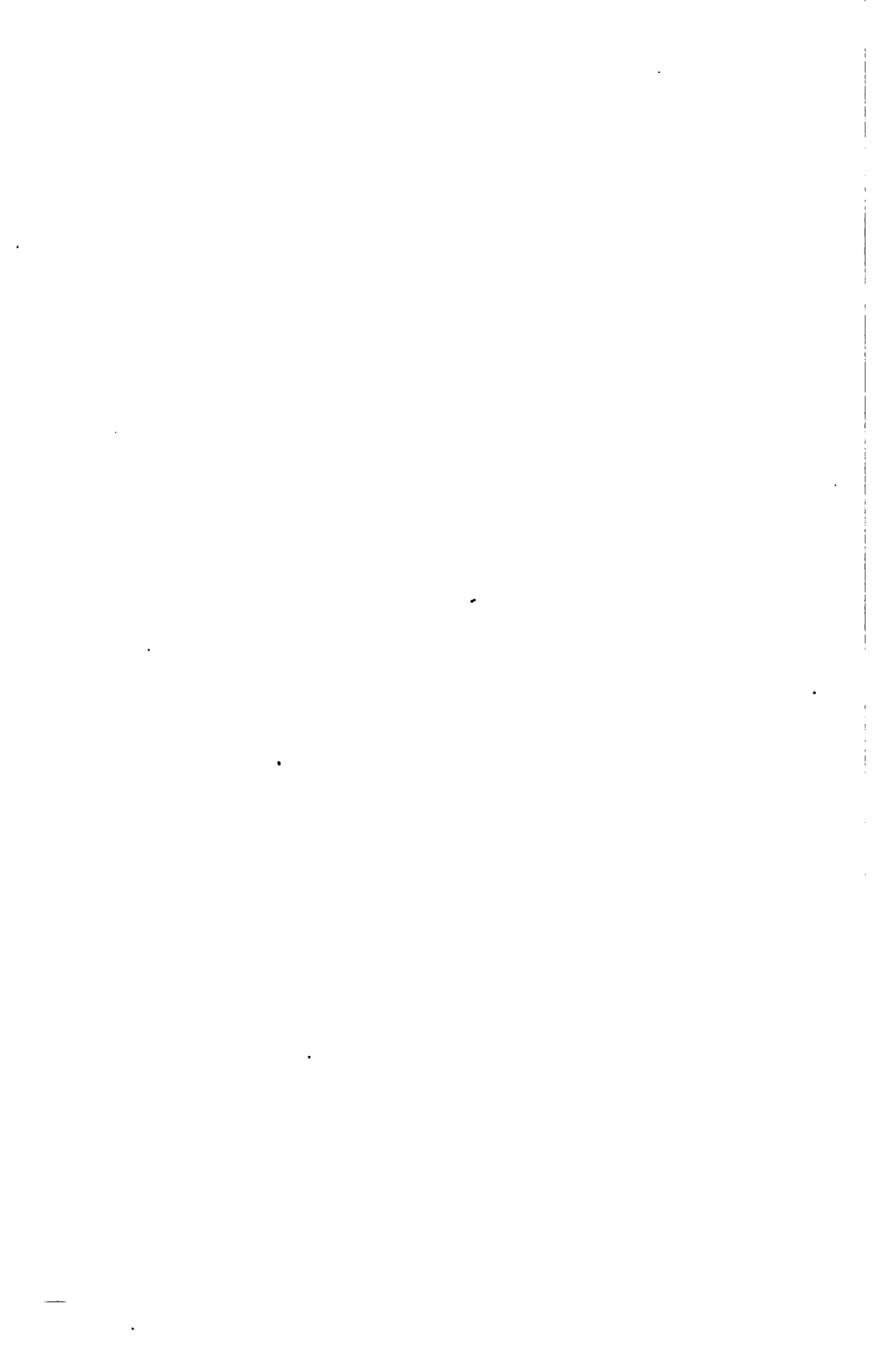
Your attention is invited to the tabular statements and accounts which will be found hereto attached.

By order of the Board,

T. B. BLACKSTONE,

President.

APPENDIX.



AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 2, 1887.

To the Board of Directors :

GENTLEMEN : I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31st, 1886, and the operations of the road for the fiscal year 1886 :

- A — General Balance Sheet.
- B — Income Account.
- C — Additional Property Account.
- D — Gross Earnings from Traffic for the year.
- E — Statement of Monthly Earnings from 1876, and Annual Expenses and Profits.
- F — Passenger Statistics and Comparisons.
- G — Freight Statistics and Comparisons.
- H — Freight Transported.
- I — Statement of Gross Earnings from Shipments of Farm Products in Illinois.
- J — Statement of Gross Earnings from Shipments of Farm Products in Missouri.
- K — Mileage of Cars and Details of Mileage.

Respectfully yours,

CHAUNCEY KELSEY,
Auditor.

A—General Balance Sheet, December 31, 1886.

To Cost of Road and Equipment.....	\$30,285,051 30	By Income Account.....	\$5,775,219 30
To Construction of Upper Alton Line.....	316,351 42	By Capital Stock, Common.....	\$14,110,800 00
To Construction of Coal City Branch.....	680,416 54	By Capital Stock, Preferred.....	3,470,500 00
To Construction of Western Division.....	1,115,794 91	By First Mortgage Bonds.....	2,383,000 00
To Construction of Louisiana Branch.....	1,389,537 82	By Consolidated Sterling Bonds.....	4,370,360 00
To Cost of St. L., J. & C. R. R. Bonds Assumed.....	2,409,000 00	By St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds, Account Louisiana Branch.....	564,000 00
To St. L., J. & C. R. R. Co.'s Preferred Stock.....	1,054,100 00	By St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds, Account Louisiana Branch.....	188,000 00
To St. L., J. & C. R. R. Co.'s Common Stock.....	1,608,900 00	By St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds, Account Main Line.....	2,365,000 00
To Original Cost of the Joliet & Chicago R. R.....	.....	By St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds, Account Main Line.....	44,000 00
To Original Cost of the Mississippi River Bridge.....	.....	By Joliet & Chicago R. R. Stock on which C. & A. guarantee 7 per cent. per annum dividend.....	1,500,000 00
To Cash on Hand and on Call.....	.....	By Joliet & Chicago R. R. Bonds, paid and canceled.....	500,000 00
To Due from Agents, Cash in Transit.....	.....	By Mississippi River Bridge Stock, Guaranteed.....	300,000 00
To Supplies for Current Operations, R. R. Department.....	\$ 25,054 49	By Mississippi River Bridge Bonds, Assumed (now outstanding).....	665,000 00
To Supplies for Current Operations, Car and Locomotive Departments.....	286,406 19	By Mississippi River Bridge Bonds, paid and canceled.....	35,000 00
To Machinery and Tools in Machine Shop.....	945,078 56	By Vouchers and Pay Roll for Dec., 1886, due Jan., 1887.....	449,619 17
To Machinery and Tools in Car Shop.....	73,271 58	By Wages Checks issued prior to Dec. 1, 1886, not presented.....	30,808 01
To Jas. Robb, Special Receiver, Bonds deposited to meet Contingent Liabilities.....	.....	By Unpaid Wages, due prior to Dec. 1, 1886, not claimed.....	38,908 43
To Kansas City, St. Louis & Chicago R. R. Co.'s Common Stock.....	\$157,800 00	By Sinking Fund Gold Bonds.....	2,492,000 00
To Louisiana & Missouri River R. R. Co.'s Second Mortgage Bonds.....	70,000 00	By Sinking Fund Gold Bonds, redeemed and canceled.....	508,000 00
To St. Louis Exposition & Music Hall Ass'n Stock.....	5,000 00	By First Mortgage Sinking Fund Bonds, Paid and Mortgage Discharged.....	600,000 00
To Inter-State Industrial Exposition Stock.....	1,000 00	By Louisiana & Missouri River R. R. Bond Account.....	498,100 00
To Income Scrip.....	1,121 40	By New Common Stock Unissued.....	3,700 00
To Chicago & Mississippi River R. R. Bonds.....	2,500 00	By Unclaimed Coupons.....	585 76
To Kansas City St. L. & C. R. R. Co.'s First Mortgage Bonds.....	.....	By Unclaimed Dividends.....	774 70
To Mississippi River Bridge Co.'s Stock, owned by C. & A. R. R.....	\$300,000 00	By Missing Sinking Fund Coupons.....	70 00
To Mississippi River Bridge Co.'s Bonds.....	190,000 00	By Mississippi River Bridge Co., Balance Sinking Fund Unappropriated.....	450 00
To Illinois Trust & Savings Bank, Common Stock in Trust.....	.....	By accrued Rent not yet due Kansas City, St. Louis & Chicago R. R. Co.....	\$38,357 30
To United States Trust Co., Sinking Fund.....	5,838 50	By accrued Rent not yet due Louisiana & Missouri River R. R. Co.....	52,354 17
To Bills Receivable: Includes Note of Louisiana & Missouri River R. R. Co. for \$138,237 37, of Dec. 1, 1877.....	169,383 10	By Kansas City, St. Louis & Chicago R. R. Construction Fund.....	111,391 37
To United States Government Post Office Department.....	24,113 90	By Amount due to Individuals and Companies.....	563,177 84
To United States Express Company.....	6,731 35		
To Manatee, Mich., Land Trustee.....	1,032 45		
To "Oleli Property," Trustee.....	.....	
To Grundy County Lands, Geo. Straut, Trustee.....	70,000 00		
To Kansas City Union Depot.....	31,000 00		
To Cash appropriated to pay for Cars ordered in 1886, not yet delivered.....	150,000 00		
To Amounts due from Individuals and Companies.....	310,449 85		
	\$38,592,143 87		\$38,592,143 87

B—Income Account, December 31, 1886.

To Dividend on Preferred and Common Stock.....	\$1,407,294 00	By Balance from 1885.....	\$2,884,514 66
To First Mortgage Coupons, due July 1st.....	\$ 88,405 00	By Louisiana & Missouri River R. R. Coupons, due May 1st.....	\$ 2,460 00
To First Mortgage Coupons, due January 1st.....	88,405 00	By Louisiana & Missouri River R. R. Coupons, due November 1st.....	2,460 00
To Consolidated Bond Coupons, due July 1st.....	123,486 86	By K. C., St. L. & C. R. R. Coupons, due May 1st.....	105,000 00
To Consolidated Bond Coupons, due January 1st.....	123,193 15	By K. C., St. L. & C. R. R. Coupons, due Nov. 1st.....	105,000 00
To Sinking Fund Gold Bond Coupons, due May 1st.....	70,998 67	By K. C., St. L. & C. R. R. Dividend on Stock, May 1st.....	5,516 00
To Sinking Fund Gold Bond Coupons, due Nov. 1st.....	70,027 86	By K. C., St. L. & C. R. R. Dividend on Stock, November 1st.....	5,516 00
To St. Louis, Jacksonville & Chicago R. R. First Mortgage Bond Coupons, due April 1st.....	102,515 00	By Mississippi River Bridge Dividend on Stock.....	21,000 00
To St. Louis, Jacksonville & Chicago R. R. First Mortgage Bond Coupons, due October 1st.....	102,515 00	By Mississippi River Bridge Coupons, due May 1st.....	5,800 00
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bond Coupons, due July 1st.....	8,190 00	By Mississippi River Bridge Coupons, due Nov. 1st.....	5,760 00
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bond Coupons, due January 1st.....	8,190 00	By Interest on Note of Louisiana & Missouri River R. R. Note of Dec. 1st, 1877, to July 1st.....	6,544 74
To Louisiana & Missouri River R. R. First Mortgage Bond Coupons, due February 1st.....	15,368 50	By Kansas City Union Depot Dividend.....	6,268 75
To Louisiana & Missouri River R. R. First Mortgage Bond Coupons, due August 1st.....	15,368 50	By Meyer and Widen, Trustees, First Mortgages Coupons returned by Operating Receipts.....	19,798 49
To Sinking Fund Gold Bonds Purchased (81).....			10,988 80
To Profit and Loss.....			450 00
To Rentals—Joliet and Chicago R. R.....	\$ 104,250 00		8,000,689 34
To Mississippi River Bridge.....	71,000 00		
To K. C., St. L. & C. R. R.....	188,510 92		
To Additional Property.....	366,016 10		
To Operating Expenses.....			
To Balance.....	\$10,737,808 30	By Balance to 1887.....	\$10,737,808 29
			\$2,775,219 90

O—Additional Property for the Year 1886.

Real Estate.....	\$73,770 89	Amount charged to Income Account	\$354,183 63
New Side Tracks, 4 $\frac{1}{10}$ miles.....	20,001 27		
New Main Track.....	2,908 74		
New Depots and Buildings.....	13,890 73		
New Freight Cars, 300.....	130,376 00		
	<u>\$354,183 63</u>		<u>\$354,183 63</u>

D — Gross Earnings from Traffic for the Year ending December 31, 1886.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January	\$151,773 26	\$378,825 90	\$27,241 59	\$557,840 75
February	184,830 85	380,260 70	27,045 69	542,136 74
March	166,763 86	416,022 45	29,861 80	612,647 11
April	164,889 61	383,541 48	28,203 15	576,634 24
May	184,905 57	384,488 56	26,190 56	595,584 69
June	183,904 94	423,106 96	31,472 14	637,484 04
July	198,094 53	490,048 81	27,022 41	715,165 75
August	228,728 17	483,612 55	28,910 82	741,251 54
September	239,145 83	505,072 80	33,195 87	777,413 50
October	274,694 08	503,772 80	30,475 34	808,942 22
November	186,232 82	542,927 93	20,256 50	758,417 25
December	197,079 07	501,878 09	38,664 85	737,121 51
Totals for Year ..	\$2,311,041 09	\$5,392,058 53	\$357 539 72	\$8,060,639 34

E — Monthly Earnings of The Chicago & Alton Railroad Company.

Month.	1877.	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.
January	\$351,807 89	\$301,073 05	\$345,737 34	\$334,054 43	\$499,130 16	\$358,839 61	\$546,386 29	\$585,641 80	\$546,834 70	\$537,840 75
February	335,046 79	300,156 59	307,690 86	497,013 47	474,318 05	517,596 81	537,383 68	573,284 25	537,323 44	542,136 74
March	345,454 44	327,297 26	327,379 44	636,473 11	539,914 97	585,699 98	636,694 13	597,918 46	680,850 56	612,647 11
April	339,354 79	335,999 07	335,398 51	542,980 64	558,159 73	564,800 75	600,377 77	607,361 18	591,636 62	576,634 24
May	311,265 90	349,883 67	421,986 52	616,128 16	549,555 45	559,577 18	646,739 67	652,661 51	591,091 00	565,584 69
June	338,981 90	359,456 85	447,733 60	617,523 94	633,839 58	617,250 48	667,507 81	693,069 74	591,300 21	637,484 04
July	305,927 61	433,473 23	536,843 30	708,906 23	676,204 74	708,635 48	731,502 98	730,944 17	665,392 70	715,165 75
August	491,737 69	563,378 83	533,832 09	761,119 69	789,751 47	856,397 95	886,556 44	859,903 55	738,004 68	741,261 54
September	480,933 10	443,534 66	628,811 30	767,348 64	774,790 21	912,691 79	934,945 57	916,964 06	755,225 36	777,413 50
October	445,597 34	488,921 32	668,163 73	785,199 16	771,843 58	858,673 70	901,618 75	889,037 23	767,046 91	806,043 22
November	391,616 08	399,373 20	601,100 78	693,775 53	673,330 22	749,915 59	801,187 33	753,856 74	733,038 28	758,417 25
December	316,799 55	340,947 31	553,014 42	543,732 99	646,812 37	701,065 80	749,219 96	692,711 51	705,925 87	737,131 51
Total	\$4,464,343 08	\$4,671,519 13	\$5,755,677 19	\$7,667,225 98	\$7,537,740 42	\$8,215,495 13	\$8,810,610 38	\$8,709,574 22	\$7,993,169 33	\$8,090,639 34
Expenses, in- cluding taxes, }	\$2,467,765 27	\$2,660,139 76	\$3,171,456 59	\$4,309,341 37	\$4,231,375 00	\$4,684,508 50	\$5,097,033 63	\$5,133,730 16	\$4,612,347 40	\$4,650,955 18
Profits	\$2,006,577 81	\$2,011,389 37	\$2,584,220 60	\$3,357,884 71	\$3,286,365 42	\$3,530,986 63	\$3,713,577 75	\$3,575,844 06	\$3,380,821 93	\$3,439,684 16

G—Freight Statistics and Comparisons.

	1882.	1883.	1884.	1885.	1886.	INCREASE.	DECREASE.	PER CENT.
Tonnage of Freight Transported.....	3,522,840	3,488,496	3,598,284	3,631,108	3,651,100	19,992	.....	00.56%
Tonnage of Local Freight.....	2,749,865	2,617,313	2,617,904	2,741,801	2,713,446	.....	28,355	01.03%
Percentage of Whole Tonnage—Local	78.06	75.08	72.76	75.50	74.30	.....	01.00	01.70%
Tonnage of Through Freight.....	772,975	871,183	980,380	889,307	937,654	48,347	.....	05.48%
Percentage of Whole Tonnage—Through.....	21.94	24.91	27.24	24.50	25.70	01.20	.....	04.89%
Revenue Freight Carried One Mile, in Tons.....	474,823,908	549,369,534	602,768,054	538,522,498	560,824,279	22,301,781	.....	04.10%
Average Rate per Ton per Mile on Revenue Freight.....	01.261	01.128	01.097	01.099	00.961	.....	00.048	04.10%
Average Distance each Ton was Carried.....	134.194	157.480	167.100	148.100	153.100	05.000	.....	03.60%

J—Statement of Gross Earnings from Shipments of Farm Products in Missouri.

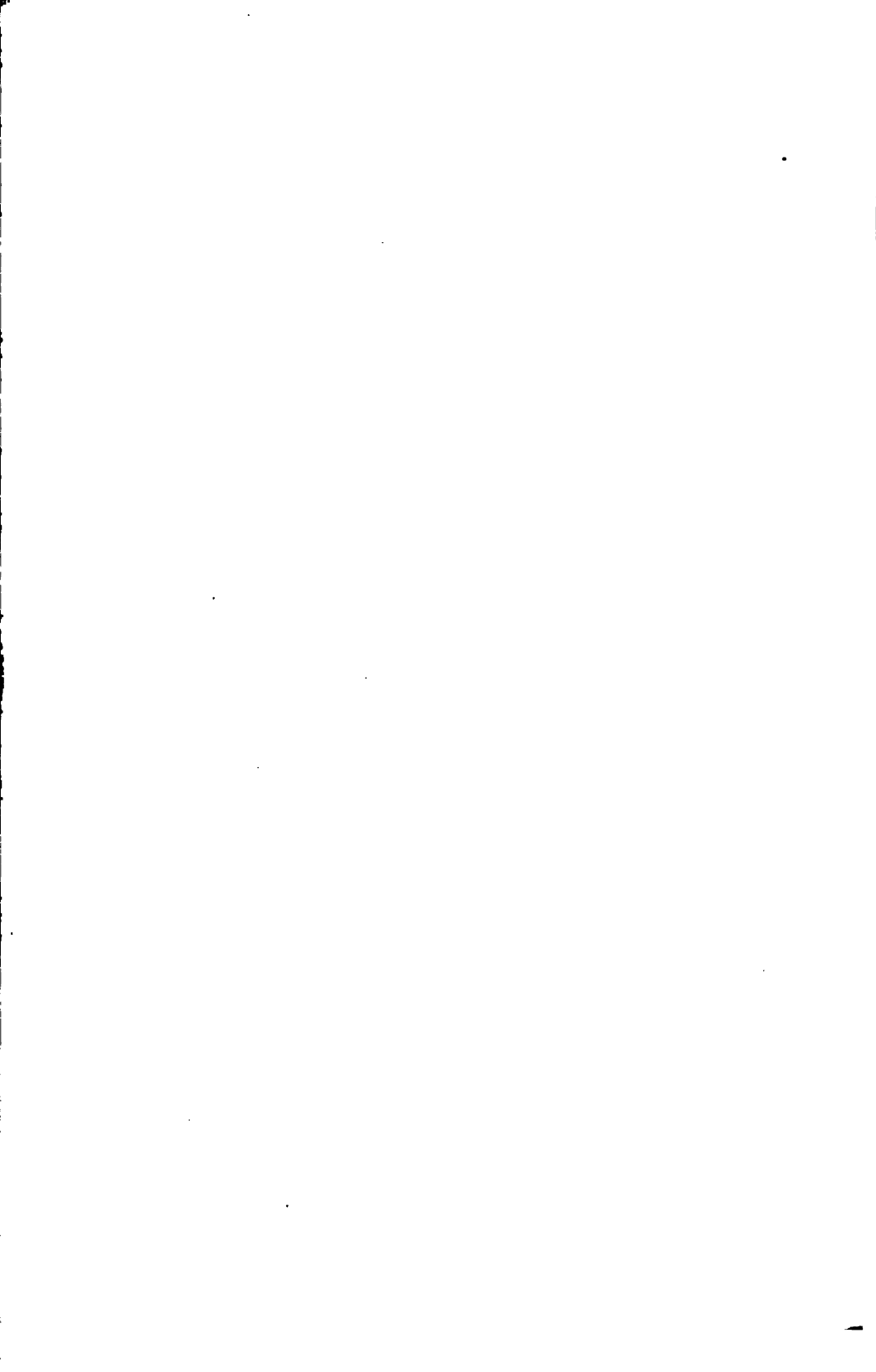
YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent. of Gross Earnings on Frt. Traffic in Missouri.	Per cent. of Gross Earnings on All Traffic in Missouri.
1881.....	\$ 49,840 00	\$ 22,680 00	\$ 8,700 00	\$107,184 00	\$ 92,848 00	\$21,460 00	\$301,662 00	23.8%	17.1%
1882.....	177,281 00	37,651 00	12,615 00	67,920 00	62,440 00	39,567 00	397,424 00	29.1%	20.4%
1883.....	122,626 55	114,932 34	11,447 70	109,080 00	75,960 00	20,992 78	455,089 82	26.3%	18.7%
1884.....	106,493 29	42,416 77	9,824 26	81,440 00	84,440 00	16,042 17	340,656 49	19.1%	18.1%
1885.....	60,473 04	29,972 42	8,281 08	104,660 00	78,640 00	15,446 01	282,572 50	20.1%	18.1%
1886.....	71,187 44	21,751 91	7,863 44	103,880 00	77,640 00	25,219 10	307,541 89	20.3%	18.3%
Increase in 1886.....	20,714 40	.....	4,582 41	.....	.....	9,778 09	25,169 39	00.1%	.....
Decrease in 1886.....	.....	8,220 51	.....	680 00	1,000 00	.....	.....	.....	.....

K — Mileage of Cars and Details of Mileage, 1885 and 1886.

	1885.	1886.	INCREASE.	DECREASE.	PER CENT.
Miles run by C. & A. Sleeping Cars on C. & A. R. R.....	922,495	1,250,994	328,499	.....	35.100
Miles run by Foreign Sleeping Cars on C. & A. R. R.	470,536	241,934	.....	228,602	48.183
Miles run by Dining Cars on C. & A. R. R.....	204,561	204,552	.....	9	100.00
Miles run by C. & A. Coaches on C. & A. R. R.....	5,530,080	5,764,989	234,909	.....	4.448
Miles run by C. & A. Coaches on Foreign Roads.....	9,240	17,681	8,441	.....	91.000
Miles run by Foreign Conches on C. & A. R. R.....	38,029	71,889	33,860	.....	89.100
Miles run by Pay Car.....	28,441	27,557	.....	884	93.000
Miles run by C. & A. Mail, Express and Postal Cars on C. & A. R. R.	2,555,539	2,632,348	76,809	.....	3.000
Miles run by Foreign Baggage, Mail and Ex. Cars on C. & A. R. R.	4,311	6,690	2,379	.....	55.100
Number of C. & A. R. R. Cars hauled Loaded, in Regular Service.	656,591	636,830	.....	19,761	93.000
Mileage of C. & A. R. R. Cars hauled Loaded, in Regular Service.	35,600,692	35,391,840	.....	268,852	100.00
Number of C. & A. R. R. Cars hauled Empty, in Regular Service.	295,170	289,396	.....	5,774	91.000
Mileage of C. & A. R. R. Cars hauled Empty, in Regular Service.	14,275,774	13,948,104	.....	327,670	92.100
Number of C. & A. R. R. Cars hauled Loaded, in Construction Trains	55,015	56,513	1,498	.....	100.00
Mileage of C. & A. R. R. Cars hauled Loaded, in Construction Trains	1,471,380	1,861,682	390,482	.....	126.000
Number of C. & A. R. R. Cars hauled Empty, in Construction Trains	58,558	58,110	.....	448	100.00
Mileage of C. & A. R. R. Cars hauled Empty, in Construction Trains	1,601,814	1,916,472	314,658	.....	19.444
Number of Foreign and Line Cars hauled Loaded.....	263,224	240,992	.....	22,232	88.000
Mileage of Foreign and Line Cars hauled Loaded.....	14,325,114	14,186,266	.....	138,848	100.00
Number of Foreign and Line Cars hauled Empty.....	134,057	139,899	5,842	.....	104.000
Mileage of Foreign and Line Cars hauled Empty.....	6,464,329	6,985,952	521,623	.....	88.000
Whole Number of Loaded Cars hauled, in Regular Service.....	919,815	877,822	.....	41,993	94.000
Mileage of Loaded Cars hauled, in Regular Service.....	49,985,806	49,578,106	.....	407,700	100.00
Whole Number of Empty Cars hauled, in Regular Service.....	429,227	429,295	68	.....	100.00
Mileage of Empty Cars hauled, in Regular Service.....	20,740,103	20,934,056	193,953	.....	100.00

K — Mileage of Cars, etc. — (Continued.)

	1885.	1886.	INCREASE.	DECREASE.	PER CENT.
Whole Number of Cars hauled, in Regular Service, Loaded and Empty.....	1,349,042	1,307,117	.....	41,925	03,107 1000
Total Freight Mileage, Cars hauled, in Regular Service, Loaded and Empty.....	70,725,909	70,512,162	.....	213,747	300 1000
Per Cent. of whole Mileage, Loaded.....	70,335	70,341	.....	354	1000
Per Cent. of whole Mileage, Empty.....	29,333	29,688	.....	.....	01,344 1000
Mileage of C. & A. Freight Cars on Foreign Roads.....	18,133,062	20,669,770	2,336,708	.....	12,486 1000
Total Mileage of C. & A. Freight Cars.....	71,142,722	73,787,868	2,645,146	.....	03,718 1000
Average Revenue Tonnage of each Loaded Car hauled, in Regular Service.....	10,338	11,348	1000	.....	05,002 1000
Average Revenue Tonnage of each Car hauled, in Regular Service, Loaded and Empty.....	07,614	07,968	354	.....	04,354 1000
Tonnage of Company's Freight not embraced in above figures...	367,003	266,808	.....	100,395	27,346 1000



TWENTY-FIFTH ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

CHICAGO & ALTON

RAILROAD COMPANY,

FOR THE

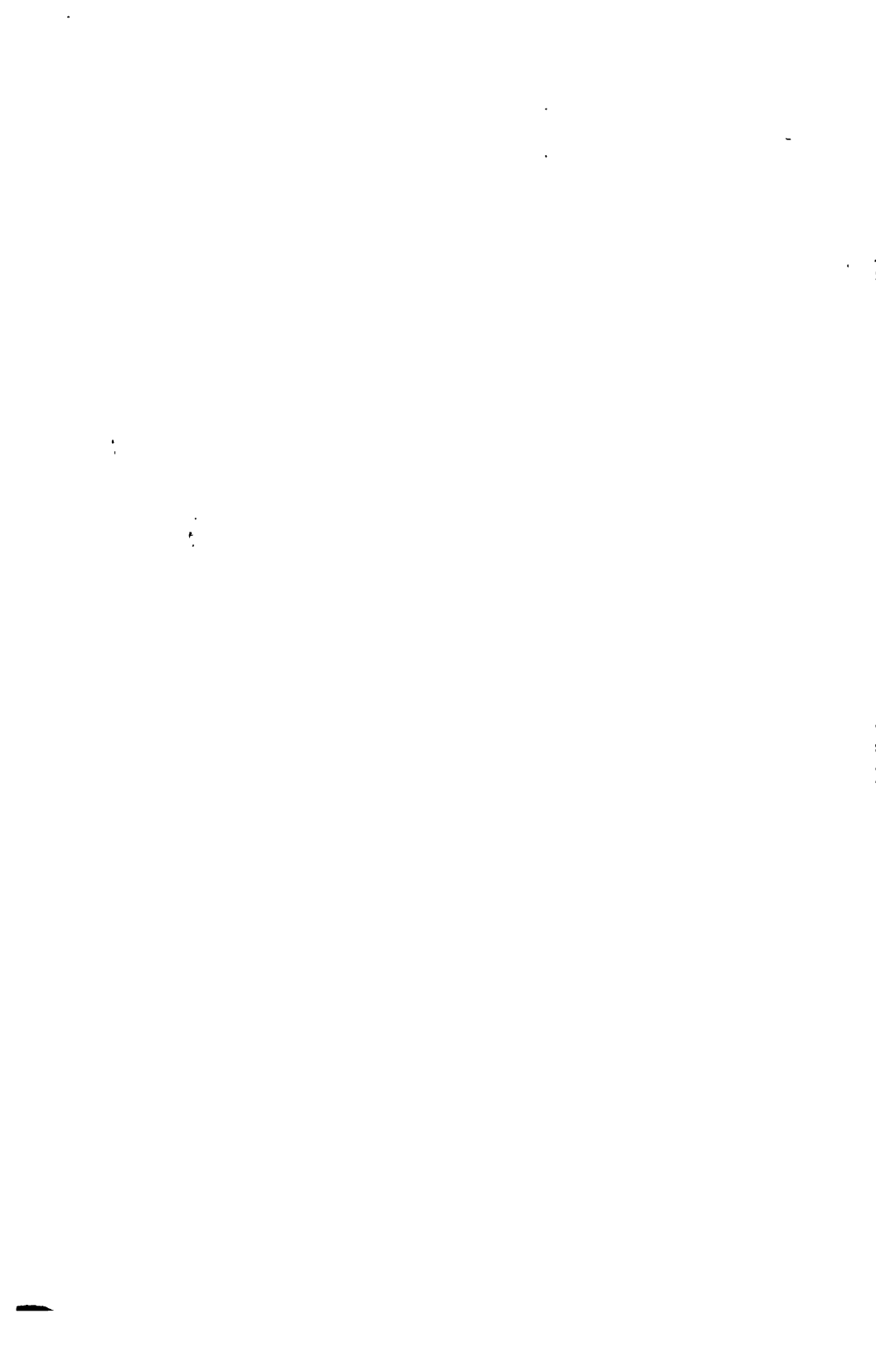
YEAR ENDING DECEMBER 31ST, 1887.

ISSUED FEBRUARY, 1888.

CHICAGO:

BARD, McNALLY & Co., PRINTERS, 129-131 MONROE ST.

1888.



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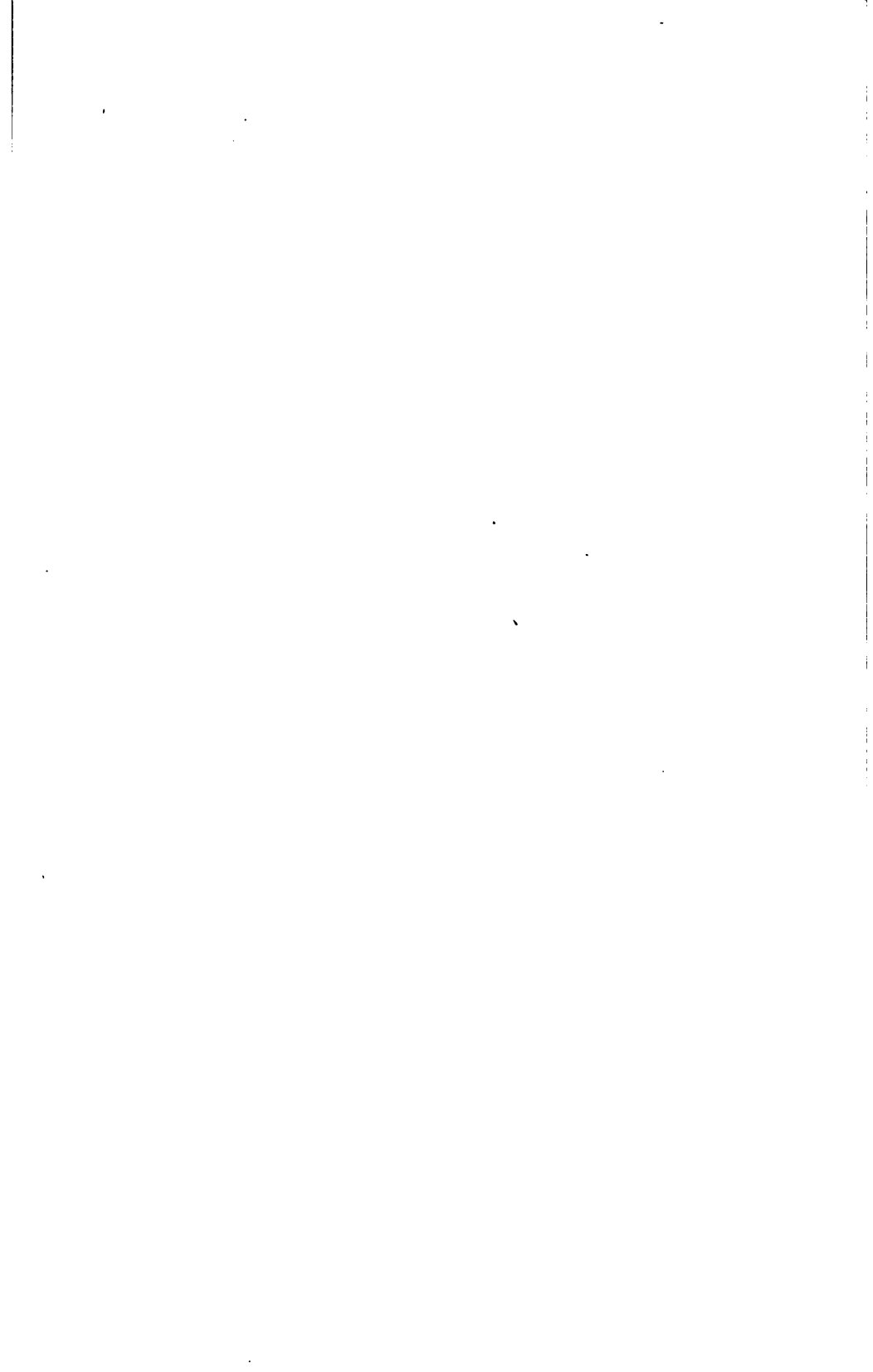
1888.

DIRECTORS.

JOHN CRERAR.	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1898.
LORENZO BLACKSTONE.....	NORWICH, CONN.	
JOHN J. MITCHELL.....	St. Louis, Mo.	
T. B. BLACKSTONE.....	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1899.
JOHN B. DRAKE.....	CHICAGO, ILL.	
MORRIS K. JESUP.....	New York.	
(One vacancy.)		
JAMES C. McMULLIN	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1890.
WILLIAM A. SLATER.....	NORWICH, CONN.	

OFFICERS.

T. B. BLACKSTONE.....	<i>President.</i>
J. C. McMULLIN.....	<i>Vice-President.</i>
CHARLES H. FOSTER.....	<i>Secretary and Treasurer.</i>
CHAUNCEY KELSEY.....	<i>Auditor.</i>
C. BECKWITH.....	<i>General Solicitor.</i>
CHARLES H. CHAPPELL....	<i>General Manager.</i>
T. M. BATES.....	<i>Superintendent of Transportation.</i>
J. H. WOOD.....	<i>General Manager's Assistant.</i>
H. H. COURTRIGHT.....	<i>General Freight Agent.</i>
JAMES CHARLTON.....	<i>General Passenger and Ticket Agent.</i>
K. F. BOOTH.....	<i>Chief Engineer.</i>
WM. WILSON	<i>Superintendent of Machinery and Cars.</i>
A. V. HARTWELL	<i>Purchasing Agent.</i>
A. M. RICHARDS.....	} <i>Division Superintendents.</i>
S. D. REEVE.....	



DIRECTORS' TWENTY-FIFTH ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company:

The Board of Directors submit the following Report for the year ending December 31, A. D. 1887:

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS		
Chicago to Joliet.....	37.20	40.30	30.28	107.78
Joliet to East St. Louis.....	243.50	22.46	73.65	339.61
Coal City Line.....	29.76	.....	9.56	39.32
Dwight to Washington and Lacon.....	79.80	.....	6.50	86.30
Roodhouse to Louisiana.....	88.10	.....	9.75	47.85
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.....	158.00	.....	18.38	176.38
Louisiana & Missouri River Railroad...	100.80	.....	17.01	117.81
Mexico to Kansas City.....	161.82	0.87	34.33	197.02
Total Miles.....	848.98	63.63	199.46	1,112.07

Eight miles of new side tracks have been constructed during the last year.

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares.....	14,112,000 00
Total amount of Stock.....	<u>\$17,591,500 00</u>

FIXED CHARGES AND FUNDED DEBT.

First Mortgage Chicago & Alton 7 per cent. Bonds, due January 1, 1898.....	\$2,888,000 00	
St. Louis, Jacksonville & Chicago Railroad First Mortgage 7 per cent. Bonds, maturing April 1, 1894, assumed by this Company.....	2,929,000 00	
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Bonds, maturing July 1, 1898, assumed by this Company.....	188,000 00	
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Convertible Bonds, maturing July 1, 1898, assumed by this Company.....	44,000 00	
Louisiana & Missouri River Railroad Company's First Mortgage 7 per cent. Bonds, due August 1, 1900, assumed by our Company in settlement of Accounts under Contract for Construction, dated July 5, A. D. 1870.....	439,100 00	
Chicago & Alton Sinking Fund 6 per cent. Gold Bonds, maturing May 1, 1903.....	2,417,000 00	
Consolidated Chicago & Alton 6 per cent. Sterling Bonds, due July 1, 1903—£900,000, say.....	\$4,879,850 00	
Mississippi River Bridge Company's First Mortgage Sinking Fund 6 per cent. Bonds, due October 1, 1912, assumed by our Company under terms of lease.....	655,000 00	
Total amount of Bonds.....	<u>\$18,484,950 00</u>	
Joliet and Chicago Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	1,500,000 00	
Mississippi River Bridge Company's Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	800,000 00	
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent. annual dividends are guaranteed.....	1,750,000 00	
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent. per annum, are contingent upon gross earnings....	271,700 00	3,821,700 00
Total.....	<u>\$84,848,150 00</u>	

The Louisiana & Missouri River Railroad is operated by our Company under a lease, which, by its terms, is to continue one thousand years from the first day of August, A. D. 1870. The lease provides that each year all taxes and assessments shall be deducted from the gross earnings of the road, and 35 per cent. of the remainder shall be the amount of rent for that year.

All other lines of railway operated by our Company, its bridges over the Mississippi and Missouri Rivers, and other property pertaining to such lines, are owned by it subject to the several mortgages and fixed annual charges above stated.

Twelve shares of the common stock of this Company have been issued during the year, in exchange for an equal number of shares of the common stock of the St. Louis, Jacksonville & Chicago Railroad Company, pursuant to the agreement between that Company and the Chicago & Alton Railroad Company, dated April 14, 1884.

Seventy-five Thousand Dollars of the 6 per cent. Sinking Fund Gold Bonds of our Company, and Ten Thousand Dollars of the Bonds of the Mississippi River Bridge Company have been redeemed and canceled, on account of Sinking Funds, during the year.

GROSS EARNINGS.

PER CENT.	1886.		1887.	PER CENT.
28.71 1000	\$2,811,041 09	From Passengers	\$2,474,154 22	27.71 1000
66.88 1000	5,892,058 58	" Freight	6,070,639 81	67.88 1000
02.33 1000	163,068 63	" Express	172,150 00	01.88 1000
01.88 1000	186,041 76	" Mails	148,517 24	01.88 1000
00.10 1000	58,429 34	" Miscellaneous	75,925 54	00.10 1000
	\$8,060,639 34	.....Total Earnings.....	\$8,941,386 31	

The Gross Earnings from Traffic in 1887, compared with those of 1886, were as follows :

	INCREASE.	
	AMOUNT.	PER CENT.
From Passenger Traffic	\$168,118 13	07.05 1000
" Freight	678,580 78	12.88 1000
" Express	9,081 87	05.58 1000
" Mail	12,475 49	09.17 1000
" Miscellaneous Sources	17,496 20	29.11 1000

Increase in Gross Earnings in 1887, compared with those of the preceding year, \$880,746.97, or 10.82 per cent.

OPERATING EXPENSES.

PER CENT.	1886.		1887.	PER CENT.
81.75 1000	\$1,476,954 75	For Conducting Transportation	\$1,588,025 55	80.13 1000
29.44 1000	1,355,552 27	" Motive Power	1,420,267 59	26.82 1000
28.75 1000	1,337,540 81	" Maintenance of Way	1,599,542 59	80.35 1000
10.42 1000	480,907 85	" Maintenance of Cars	662,367 11	12.88 1000
	\$4,650,955 18	.....Total.....	\$5,270,202 84	

The expenditures for operating and maintaining our railroad, compared with those of the preceding year, were as follows :

	INCREASE.	PER CENT.
For Conducting Transportation.....	\$111,070 80	07.42%
" Motive Power.....	64,715 32	04.74%
" Maintenance of Way.....	262,001 78	19.58%
" Maintenance of Cars.....	181,459 76	87.73%

Increased expenditures as above, compared with those of preceding year, \$619,247.66, or 13.11% per cent.

SUMMARY OF EARNINGS AND EXPENSES.

1886.		1887.
\$8,060,639 84	Earnings from all sources.....	\$8,941,386 31
4,650,955 18	Operating Expenses.....	5,270,202 84
3,409,634 16	Net Earnings.....	3,671,183 47
57.78%	Operating Expenses per cent. of Gross Earnings..	58.41%
Increase in Gross Earnings.....\$880,746 97		
Increase in Operating Expenses.....619,247 66		
Increase in Net Earnings.....\$261,499 81		

The increase in Net Earnings in 1887 compared with the Net Earnings in 1886, is 07.66% per cent.

EARNINGS PER MILE.

1886.		1887.
\$9,493 33	Gross Earnings per mile of Road.....	\$10,531 91
5,477 64	Operating Expenses per mile of Road.....	6,207 68
\$4,015 74	Net Earnings per mile of Road.....	\$4,324 23

TOTAL GROSS EARNINGS FROM FARM PRODUCTS SHIPPED AT LOCAL STATIONS.

Years.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois.	Gross Earnings on Shipments of Farm Products from Local Stations in Missouri.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois and Missouri.	Per Cent. of Gross Earnings on Freight Traffic.	Per Cent. of Gross Earnings on all Traffic.
1881	\$799,324 00	\$301,662 00	\$1,100,986 00	19.54%	14.52%
1882	768,813 00	897,424 00	1,166,237 00	19.68%	14.19%
1883	576,792 90	455,089 32	1,031,882 22	16.54%	11.71%
1884	528,614 67	340,856 49	869,471 16	14.31%	9.92%
1885	599,919 88	282,373 50	882,293 38	16.74%	11.93%
1886	710,747 97	307,541 89	1,018,289 86	18.22%	12.22%
1887	712,440 85	352,561 21	1,065,002 06	17.54%	11.81%
Increase over 1886	\$1,692 88	\$45,019 32	\$46,712 20		
Decrease				1.32%	0.73%

A fraction more than one-sixth of the Gross Earnings from Freight Traffic during the last year was derived from the transportation of Farm Products shipped at Local Stations, and that is found to be about the average proportion during the last seven years. The average yearly Gross Earnings from such shipments compared with the Gross Earnings from Traffic of all kinds during the last seven years is found to be 12.2% per cent. The percentage in 1887 is 0.31% per cent. less than the average for the period of seven years.

Statements in detail, of which the foregoing is a summary, will be found in the Appendix to this Report.

INCOME ACCOUNT.

By balance December 31, 1886.....	\$2,775,219 90
By interest on Bonds, Dividends on Stocks owned by our Company, and Sundry Receipts.....	269,288 95
By Gross Receipts from Traffic.....	8,941,886 31
	<u>\$11,985,845 16</u>

DISBURSEMENTS.

Interest on Funded Debt.....	\$ 881,081 40
Dividends	1,407,644 00
Rent paid Joliet & Chicago R. R. Co.	106,250 00
“ “ Louisiana & Missouri River R. R. Co.....	260,716 25
“ “ Kansas City, St. Louis & Chicago R. R. Co.	332,641 78
“ “ Mississippi River Bridge Co.....	71,000 00
Paid for Sinking Fund Bonds purchased.....	92,671 58
Paid from this Account for additional property, Cars, Real Estate, New Buildings and New Tracks	270,971 13
Unexpended balance of appropriations for Real Estate and Improvements.....	386,478 16
Operating Expenses.....	<u>5,270,202 84</u>
	<u>8,969,602 14</u>
Balance, December 31, 1887.....	<u>\$3,016,243 02</u>

The schedule of rolling stock owned and used by our Company at the close of the year is as follows :

LOCOMOTIVES.

Locomotives with 6 Driving Wheels and 4 Leading Wheels.....	13
“ 6 “ 2 “	17
“ 4 “ 4 “	159
“ 4 “ Switching	37
“ 6 “ “	2
Total.....	228

Eighty-one Locomotives are equipped with Air brakes, Eleven with Vacuum brakes, and Three with Steam brakes.

CARS IN PASSENGER SERVICE.

The number of Cars used in Passenger Trains, and owned by our Company, is.. 181
Pullman Sleeping Cars on our Lines..... 19

Total..... 150

Eight Passenger Cars and Four Mail Cars, included in the above statement, were constructed during the year.

CARS IN FREIGHT SERVICE.

House Cars (including 56 Refrigerator Cars).....	3,523
Stock Cars.....	1,848
Platform and Coal Cars.....	1,560
Drovers' and Caboose Cars	100
Tool and Boarding Cars.....	16

Total..... 7,047

Two hundred Coal Cars, included in the foregoing statement, were constructed during the year.

PERMANENT WAY.

The railroad tracks on the several lines of railroad operated by this Company are laid with steel and with iron rails as follows :

	STEEL.	IRON.
Miles of Main Tracks on Main Lines.....	779.92	None
“ “ Branch “	108.78	28.91
“ Side Tracks.....	121.91	77.55
Total.....	1,010.61	101.46

BALLAST.

During the last year 88.50 miles of road-bed were ballasted with rock, and 26.02 miles with cinders, making a total during the year of 114.52 miles.

The average cost of rock ballasting was \$1,958, and the average cost of ballasting with cinders \$1,000 per mile.

The total number of miles of road-bed—excluding side tracks—ballasted and unballasted, at the close of the year, was as follows :

Ballasted with Rock.....	888.01
“ “ Gravel.....	208.28
“ “ Cinder.....	152.80
Unballasted, mainly Branch Lines	178.52
Total.....	912.61

Five thousand two hundred and twenty-two tons of new steel rails, three hundred and twenty-one thousand new cross ties, four hundred and fifty-seven thousand pounds of spikes, one hundred and twenty-three thousand splices for rail joints, and two hundred and seventy-seven thousand pounds of Track Bolts were used in renewal and repairs of tracks during the year.

The work of improving grades and curves, where necessary to promote economy in operating the railroad, has been continued during the year at a cost of about one hundred and ten thousand dollars.

The amount of coal consumed in operating the road during the year was 295,750 tons ; average cost on Locomotive Tenders, \$1.14 per ton.

Seven thousand one hundred and thirty cords of wood were consumed on Locomotives; the average cost was \$2.22 per cord.

The average number of men employed during the year was 4,753, and the amount paid for labor and personal services, \$3,110,014.11.

Of the amount expended, excluding taxes, 62 $\frac{2}{3}$ per cent was paid for labor and personal services, 32 $\frac{2}{3}$ per cent for supplies of various kinds, and 5 per cent for miscellaneous expenses.

The railroad and all its appurtenances have been maintained in good condition, and many improvements have been made.

The acknowledgments of the Board are due to the officers in charge of the several departments, and the men employed under their direction, for the faithful and efficient discharge of the duties imposed upon them during the last year.

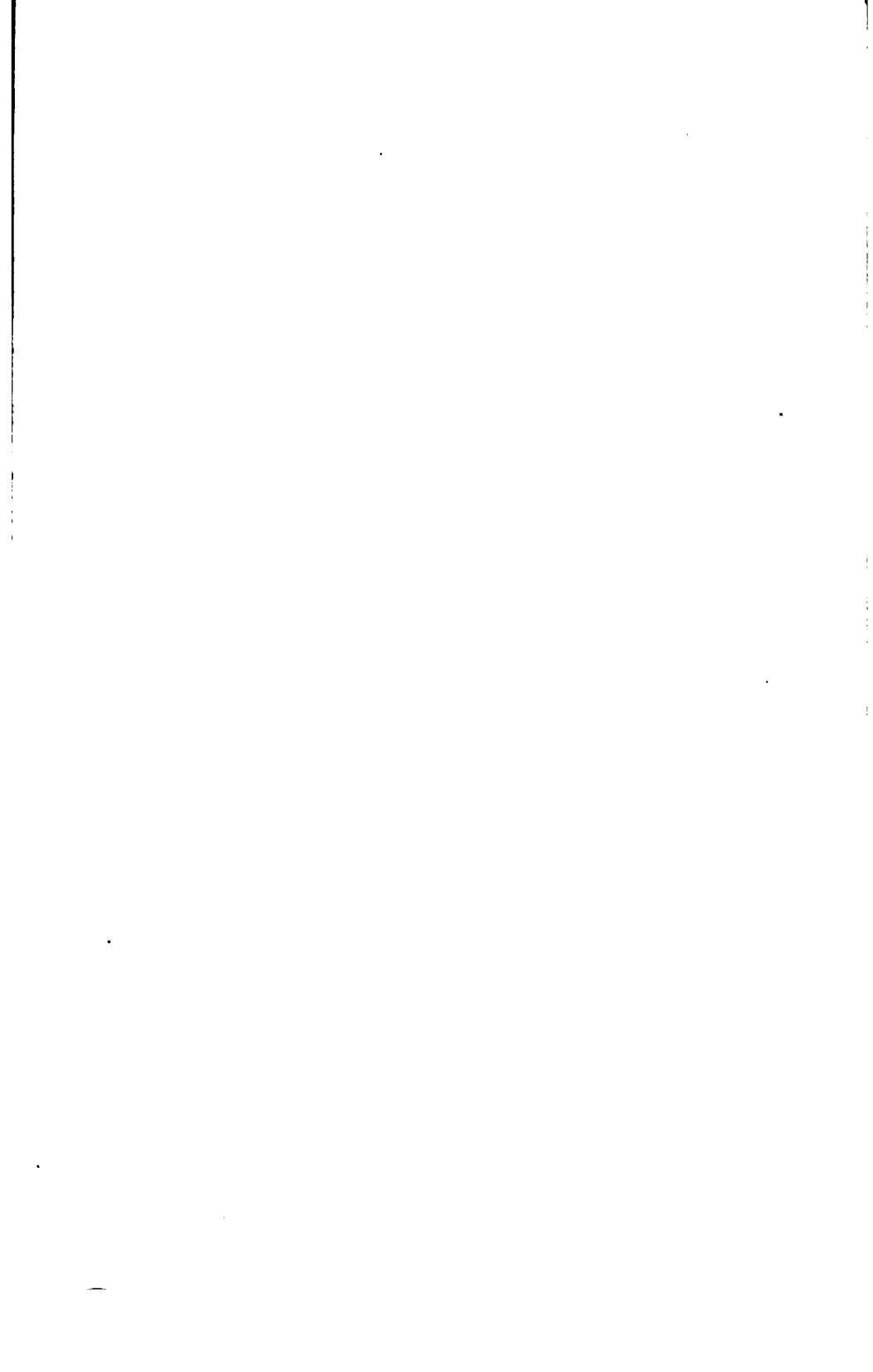
Your attention is invited to the tabular statements and accounts which will be found hereto attached.

By order of the Board,

T. B. BLACKSTONE,
President.

APPENDIX.

APPENDIX.



AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 14, 1888.

To the Board of Directors :

GENTLEMEN : I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31st, 1887, and the operations of the road for the fiscal year 1887 :

A — General Balance Sheet.

B — Income Account.

C — Additional Property Account.

D — Gross Earnings from Traffic for the year.

E — Statement of Monthly Earnings from 1877, and Annual Expenses and Profits.

F — Passenger Statistics and Comparisons.

G — Freight Statistics and Comparisons.

H — Freight Transported.

I — Statement of Gross Earnings from Shipments of Farm Products in Illinois.

J — Statement of Gross Earnings from Shipments of Farm Products in Missouri.

K — Mileage of Cars and Details of Mileage.

Respectfully yours,

CHAUNCEY KELSEY,

Auditor.

To Cost of Road and Equipment.....	\$30,268,702 60	By Income Account.....	\$5,016,245 00
To Construction of Upper Alton Line.....	316,361 42	By Capital Stock, Common.....	\$14,112,000 00
To Construction of Coal City Branch.....	690,416 34	By Capital Stock, Preferred.....	3,479,500 00
To Construction of Western Division.....	1,116,724 91	By First Mortgage Bonds.....	2,983,000 00
To Construction of Louisiana Branch.....	1,389,547 92	By Consolidated Sterling Bonds.....	4,379,500 00
To Cost of St. L., J. & C. R. R. Bonds Assumed.....	2,409,000 00	By St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds, Account Louisiana Branch.....	564,000 00
To St. L., J. & C. R. R. Co.'s Preferred Stock.....	1,054,100 00	By St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds, Account Louisiana Branch.....	188,000 00
To St. L., J. & C. R. R. Co.'s Common Stock.....	1,610,100 00	By St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds, Account Main Line.....	2,365,000 00
To Original Cost of the Joliet & Chicago R. R.....		By St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds, Account Main Line.....	44,000 00
To Original Cost of the Mississippi River Bridge.....		By Joliet & Chicago R. R. Stock on which C. & A. guarantee 7 per cent. per annum dividend.....	1,500,000 00
To Cash on Hand and on Call.....		By Joliet & Chicago R. R. Bonds, paid and canceled.....	500,000 00
To Due from Currents, Cash in Transit.....		By Mississippi River Bridge Stock, Guaranteed.....	800,000 00
To Supplies for Current Operations, R'd Department.....	\$115,377 56	By Mississippi River Bridge Bonds, Assumed (now outstanding).....	655,000 00
To Supplies for Current Operations, Car and Locomotive Departments.....	293,006 44	By Mississippi River Bridge Bonds, p'd and cancel'd.....	45,000 00
To Machinery and Tools in Machine Shops.....	245,078 56	By Vouchers and Pay Rolls for Dec., 1887, due Jan., 1888.....	669,834 40
To Machinery and Tools in Car Shops.....	73,271 58	By Wages Checks issued prior to Dec. 1, 1887, not presented.....	33,286 11
To Kansas City, St. Louis & Chicago R. R. Co.'s Common Stock.....	\$157,600 00	By Unpaid Wages, due prior to Dec. 1, 1887, not claimed.....	34,847 15
To Louisiana & Missouri River R. R. Co.'s Second Mortgage Bonds.....	70,000 00	By Sinking Fund Gold Bonds.....	787,407 66
To St. Louis Exposition Exposition Stock.....	5,000 00	By Sinking Fund Gold Bonds, redeemed and canceled.....	2,417,000 00
To Inter-State Individual Exposition Stock.....	1,000 00	By First Mortgage Sinking Fund Bonds, Paid and Mortgage Discharged.....	3,000,000 00
To Sinking Fund Gold Bonds.....	1,298 25	By Louisiana & Missouri River R. R. Bond Account.....	600,000 00
To Louisiana & No. R. R. First Mortgage Bonds.....	79,410 00	By New Common Stock Unissued.....	489,100 00
To St. L., J. & C. R. R. First Mortgage Bonds.....	10,431 13	By Unclaimed Coupons.....	2,500 00
To Kansas City Union Depot.....	21,000 00	By Unclaimed Dividends.....	585 70
To Kansas City St. L. & C. R. R. Co.'s First Mortgage Bonds.....		By Missing Sinking Fund Coupons.....	744 70
To Mississippi River Bridge Co.'s Stock owned by C. & A. R. R.....	\$300,000 00	By Mississippi River Bridge Co., Balance Sinking Fund Unappropriated.....	70 00
To Mississippi River Bridge Co.'s Bonds owned by C. & A. R. R.....	189,000 00	By accrued Rent not yet due Kansas City, St. Louis & Chicago R. R. Co.....	700 00
To Illinois Trust & Savings Bank, Common Stock in Trust.....		By accrued Rent not yet due Louisiana & Missouri River R. R. Co.....	\$35,669 88
To United States Trust Co., Sinking Fund.....		By Unexpended Appropriation for Repairs, Real Estate and Imp'ts By Amount due to Individuals and Companies.....	108,084 00
To Bill Receivable: Includes Note of Louisiana & Missouri River R. R. Co. for \$7,618 89, of Dec. 1, 1877.....			999,896 97
To United States Government Post Office Department.....			324,703 82
To United States Express Company.....			
To Manifests, Mich., Land Trustee.....			
To "Odell Property" Trustee.....	\$ 5,000 00		
To Grand County Lands, Geo. Straut, Trustee.....	70,000 00		
To Kansas City, St. Louis & Chicago Construction.....			
To Unexpended Balance of Sundry Appropriations for Real Estate and Improvements.....	389,473 16		
To Amounts due from Individuals and Companies.....	873,270 04		
	\$29,443,305 33		

B—Income Account, December 31, 1887.

To Dividend on Preferred and Common Stock.....	\$1,407,644 00	By Balance from 1886.....	\$2,775,219 90
To First Mortgage Coupons, due July 1st.....	\$ 83,405 00	By Louisiana & Missouri River R. R. Coupons, due May 1st.....	70 00
To First Mortgage Coupons, due January 1st.....	\$ 83,405 00	By Louisiana & Missouri River R. R. Coupons, due November 1st.....	\$ 2,450 00
To Consolidated Bond Coupons, due July 1st.....	132,736 72		2,450 00
To Consolidated Bond Coupons, due January 1st.....	132,387 68		4,900 00
To Sinking Fund Gold Bond Coupons, due May 1st	74,640 00	By K. C., St. L. & C. R. R. Coupons, due May 1st.	105,000 00
To Sinking Fund Gold Bond Coupons, due Nov. 1st	72,510 00	By K. C., St. L. & C. R. R. Coupons, due Nov. 1st.	105,000 00
To St. Louis, Jacksonville & Chicago R. R. First Mortgage Bond Coupons, due April 1st.....	102,515 00	By K. C., St. L. & C. R. R. Dividend on Stock, May 1st.....	5,516 00
To St. Louis, Jacksonville & Chicago R. R. First Mortgage Bond Coupons, due October 1st.....	102,515 00	By K. C., St. L. & C. R. R. Dividend on Stock, November 1st.....	5,516 00
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bond Coupons, due July 1st.....	8,190 00	By Mississippi River Bridge Dividend on Stock.....	21,000 00
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bond Coupons, due January 1st.....	8,190 00	By Mississippi River Bridge Bonds Coupons, due May 1st.....	5,700 00
To Louisiana & Missouri River R. R. First Mortgage Bond Coupons, due February 1st.....	15,368 50	By Mississippi River Bridge Bonds Coupons, due Nov. 1st.....	5,700 00
To Louisiana & Missouri River R. R. First Mortgage Bond Coupons, due August 1st.....	15,368 50	By Interest on Note of Louisiana & Missouri River R. R. Note of Dec. 1st, 1877, to July 1st.	5,134 28
To Sinking Fund Gold Bonds Purchased (75).....		By Profit and Loss.....	4,442 68
To Rentals—Joliet and Chicago R. R.....	\$ 106,250 00	By Rente, etc., from Grady County Lauds.....	9,578 96
Mississippi River Bridge.....	71,000 00	By Operating Receipts.....	245 00
La. & Mo. R. R.....	200,716 25		1,014 99
K. C., St. L. & C. R. R.....	382,641 78		8,941,386 31
To Additional Property.....	710,608 08		
To Operating Expenses.....	\$70,871 18		
To Unexpended Balance of Sundry Appropriations for Real Estate and Improvements.....	5,870,402 84		
To Balance.....	386,473 16		
	3,016,243 03		
	\$11,985,945 16		\$11,985,945 16

C—Additional Property for the Year 1887.

Real Estate.....	\$39,664 50	Amount charged to Income Account	\$370,971 13
Balance on Viaducts in Chicago.....	8,975 26		
New Side Tracks, 8 $\frac{1}{2}$ miles.....	39,502 08		
New Coal Cars, 200.....	83,209 87		
New Postal Cars, 4.....	25,619 62		
New Passenger Cars, 8.....	84,000 00		
	\$370,971 13		<u>\$370,971 13</u>

D—Gross Earnings from Traffic for the Year ending December 31st, 1887.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January.....	\$162,295 92	\$480,881 27	\$29,832 23	\$672,509 42
February.....	147,576 11	405,466 43	31,366 81	584,409 35
March.....	182,563 71	497,320 92	35,871 28	715,754 86
April.....	201,508 27	422,145 40	30,400 67	654,049 34
May.....	188,577 59	402,435 77	30,005 28	621,018 64
June.....	201,615 49	481,308 87	34,265 17	717,189 53
July.....	219,748 82	564,845 25	33,052 21	817,640 78
August.....	232,638 82	600,674 21	31,588 40	864,900 93
September.....	256,289 78	550,618 89	35,158 26	842,061 93
October.....	286,124 55	582,635 52	34,612 10	903,372 17
November.....	207,971 82	560,236 40	33,671 85	801,880 07
December.....	187,255 84	522,075 88	37,268 57	746,599 29
Totals for Year ...	\$2,474,154 22	\$6,070,689 31	\$396,592 78	\$8,941,386 31

E — Monthly Earnings of The Chicago & Alton Railroad Company.

Months.	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.
January	\$301,073 05	\$343,737 34	\$524,054 42	\$499,120 16	\$585,859 61	\$646,366 26	\$666,641 80	\$646,894 70	\$637,840 75	\$672,509 42
February	300,186 59	307,690 86	497,013 47	474,318 05	517,896 81	537,883 68	573,284 25	537,322 44	542,136 74	554,409 35
March	357,397 26	327,378 44	626,473 11	539,914 97	568,699 96	666,694 13	697,918 46	690,850 56	612,647 11	715,754 86
April	335,999 07	325,368 51	542,960 64	558,189 72	564,860 75	600,877 77	607,381 18	591,636 62	576,684 24	654,049 34
May	349,882 67	421,936 92	616,128 16	548,535 45	559,577 18	640,729 67	652,661 51	591,091 00	585,384 69	681,018 64
June	359,456 85	447,793 60	617,523 94	635,859 58	617,260 48	667,507 81	668,069 74	591,200 21	637,484 04	717,189 53
July	433,473 32	536,843 30	708,906 23	676,304 74	702,635 48	731,502 98	720,944 17	698,392 70	715,165 75	817,640 78
August	563,378 83	538,832 09	761,119 69	769,751 47	856,397 95	890,556 44	859,303 55	726,104 68	741,251 54	864,900 93
September	443,524 66	628,811 20	767,348 64	774,730 21	912,691 79	934,945 57	916,964 08	755,825 26	777,413 50	842,061 93
October	486,921 23	668,163 73	738,199 16	771,843 58	858,673 70	901,618 75	889,037 23	767,046 91	908,942 22	903,373 17
November	399,378 20	601,100 78	690,775 53	672,380 22	749,915 59	801,187 33	753,856 74	728,038 28	758,417 25	801,880 07
December	340,947 31	553,014 42	543,722 99	646,512 27	701,065 80	749,219 96	862,711 51	703,926 87	727,121 51	746,699 29
Total	\$4,071,519 13	\$5,755,677 19	\$7,587,225 98	\$7,557,740 42	\$8,215,495 12	\$8,810,610 28	\$8,709,274 22	\$7,932,169 33	\$8,060,639 34	\$8,941,886 31
Expenses, in- cluding taxes, }	\$2,660,129 76	\$3,171,456 59	\$4,209,241 27	\$4,221,375 00	\$4,694,503 50	\$5,097,033 62	\$5,132,750 16	\$4,612,847 40	\$4,650,955 18	\$5,270,302 84
Profits	\$2,011,389 37	\$2,584,220 60	\$3,477,984 71	\$3,336,365 42	\$3,520,991 62	\$3,713,577 76	\$3,576,524 06	\$3,320,321 93	\$3,409,684 16	\$3,671,583 47

F—Statement of Passenger Statistics and Comparisons.

DESCRIPTION.	1884.	1885.	1886.	1887.	INCREASE.	PER CENT.	DECREASE.	PER CENT.
Total Number of Passengers Carried.....	1,907,486	1,721,286	1,735,549	1,765,196	29,647	1.73		
Total Number of Through Passengers.....	148,716	127,135	134,948	147,754	13,506	10.00		
Total Number of Local Passengers.....	1,758,770	1,594,151	1,601,301	1,617,442	16,141	1.00		
Percentage of Local Passengers to Whole Number.....	92.93	92.10	92.70	91.88		8.22	686	1000
Percentage of Through Passengers to Whole Number.....	7.10	7.90	7.30	8.12		1.00		
Number of Local Passengers Moved South.....	862,767	783,392	789,352	796,818	7,466	0.95		
Number of Local Passengers Moved North.....	896,003	810,759	811,949	820,624	8,675	1.06		
Number of Through Passengers Moved South.....	66,380	60,071	64,424	70,719	6,295	9.77		
Number of Through Passengers Moved North.....	82,326	67,064	69,924	77,035	7,211	10.30		
Number of Passengers Carried One Mile.....	119,946,417	109,078,875	114,250,157	120,001,687	5,751,530	5.04		
Average Distance Traveled by Each Local Passenger.....	62.88	63.77	65.89	67.88	2.10	3.15		
Average Distance Traveled by Each Through Passenger.....	37.88	40.10	41.01	41.21	.90	2.20		
Average Rate Paid per Mile by Local Passengers.....	1.00	2.00	2.00	2.00	1.00	1.00	1000	
Average Rate Paid per Mile by Through Passengers.....	2.10	2.10	2.10	2.10				
Average Number of Passengers Carried per Train Mile.....	1.41	1.41	1.41	1.41				
Average Fare Paid by Each Passenger.....	\$1.19	\$1.28	\$1.33	\$1.40	\$0.07	5.26		
Number of Pieces of Baggage Handled.....	788,102	770,414	785,968	862,451	76,483	9.73		
Earnings from Excess Baggage.....	\$ 20,562 16	\$ 19,474 31	\$ 22,175 05	\$ 22,284 20	\$ 109 15	0.49		

G—Freight Statistics and Comparisons.

	1883.	1884.	1885.	1886.	1887.	INCREASE.	DECREASE.	PER CENT.
Tonnage of Freight Transported.....	3,488,496	3,598,284	3,631,108	3,651,100	4,128,120	472,020	.....	12.88%
Tonnage of Local Freight.....	2,617,313	2,617,904	2,741,801	2,713,446	3,083,412	369,966	.....	13.63%
Percentage of Whole Tonnage—Local	75.0%	72.5%	75.5%	74.3%	74.7%	0.4%	.....	0.5%
Tonnage of Through Freight.....	871,183	980,380	889,307	937,654	1,039,708	102,054	.....	10.88%
Percentage of Whole Tonnage—Through.....	24.0%	27.5%	24.5%	25.6%	25.3%	.....	0.7%	0.1%
Revenue Freight Carried One Mile, in Tons.....	549,369,534	602,768,054	538,522,498	560,824,279	641,651,562	80,827,283	.....	14.41%
Average Rate per Ton per Mile on Revenue Freight.....	01.12%	01.10%	01.00%	00.98%	00.94%	.....	0.04%	0.1%
Average Distance each Ton was Carried.....	157.40%	167.00%	148.00%	153.00%	156.00%	2.00%	.....	0.1%

H — Freight Transported.

ARTICLES.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	INCREASE.	DECREASE.
Merchandise and Sundries.....									
Iron.....	461,749	504,466	515,689	560,136	613,731	747,898	944,069	197,113	
Coal.....	280,990	281,894	117,136	131,070	153,075	186,018	318,691	50,618	
Bran and Mill Stuff.....	1,360,641	1,360,641	1,416,380	1,373,380	1,390,855	1,395,613	1,553,976	191,363	
Wool.....	24,376	24,569	84,704	82,740	83,759	83,962	98,126	5,867	
Hides.....	4,310	6,143	3,559	5,723	5,788	9,953	4,860	597	
Broom Corn.....	3,398	5,761	3,913	4,180	5,315	8,548	4,881	669	
Hay.....	509	1,738	2,890	4,180	1,908	940	1,895	1,326	
Ice.....	15,028	18,903	17,895	19,321	27,380	36,911	58,514	1,903	
Brick and Sand.....	26,135	76,871	61,968	100,233	164,134	182,002	182,002		
Stone.....	72,651	72,651	73,254	73,877	70,051	8,744	12,570	3,805	
Wheat.....	3,882,675	6,137,961	5,335,811	6,580,664	2,898,963	78,167	108,146	506,068	
Corn.....	9,304,719	8,873,923	10,396,469	10,492,786	8,143,813	3,485,056	3,641,188	29,970	
Oats.....	2,523,463	3,504,025	2,654,779	3,564,407	3,696,310	5,286,134	4,793,031	586,068	
Barley.....	410,791	144,716	290,990	317,593	453,628	3,719,791	4,354,290	351,162	
Rye.....	150,654	196,967	363,273	158,459	81,398	41,252	866,540	31,454	
Potatoes.....	240,333	353,518	488,190	61,418	298,083	294,210	205,715	86,495	
Flour.....	689,636	764,675	584,900	645,036	594,208	471,765	588,394	56,559	
Whisky.....	9,791	13,585	12,866	16,194	14,454	57	21,777	17,295	
Beef.....	15,156	76,796	19,243	56,070	51,284	4,499	78,974	38,099	
Pork.....	63,963	187,277	99,933	56,070	51,284	110,769	78,974	5,997	
Lard.....	39,608	39,364	57,213	16,933	41,463	35,111	39,514		
Salt.....	71,158	194,153	59,899	111,583	97,466	65,979	67,331	1,963	
Lumber.....	173,388,984	144,842,799	166,064,815	182,395,840	183,425,968	141,279,604	130,063,908	11,183,701	
Shingles.....	9,446	3,414	3,492			187	231	194	
Lath.....	96,000								
Posts, Staves, etc.....	3,795	16,179	14,337	16,179	15,321	13,079	10,999	1,090	
Cattle.....	267,058	241,379	280,618	368,024	384,185	393,076	473,433	113,756	
Hogs.....	689,361	605,823	776,631	960,017	1,031,236	798,650	637,608	161,447	
Sheep.....	143,333	181,546	107,630	147,636	107,314	90,414	165,018	68,604	
Horses.....	14,133	15,197	17,013	15,361	14,584	30,988	34,324	3,396	
Milk.....	500,548	466,134	511,736	518,176	547,776	680,390	682,372	101,913	
Cured Meats.....	4,762	2,963	3,981	5,569	3,798	399	398	61	
Cotton.....		7,100	11,961	10,086	90,086	35,468	87,333	12,471	
Bullion.....				1,874					
Railroad Ties.....		20,397	143,705	143,988	4,343	305,671	316,145	10,474	
Seeds.....	97	1,151	1,367	878	300	3,145	4,879	2,784	
Clay.....		1,086	4,396	6,791	3,044	5,383	7,866	5,358	
Drain Tile.....		667	13,938	10,954	11,653	11,767	7,966	4,391	
Lime.....		3,465	12,332	11,567	8,043	10,377	10,861	654	
Straw Boards.....		7,723	4,898	5,035	3,368	7,053	6,994	358	

I—Statement of Gross Earnings from Shipments of Farm Products in Illinois.

YEAR.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent. of Gross Earnings from all products in Illinois.	Per cent. of Gross Earnings from all products in Illinois.
1881.....	\$ 72,364 00	\$347,367 00	\$65,560 00	\$ 81,817 00	\$162,481 00	\$63,735 00	\$799,324 00	18.6%	18.7%
1882.....	109,146 00	322,743 00	68,688 00	84,575 00	133,350 00	50,311 00	768,813 00	16.7%	12.6%
1883.....	90,471 24	188,100 54	69,497 54	96,225 00	103,700 00	78,798 58	576,792 90	12.6%	9.8%
1884.....	79,655 11	110,163 81	85,120 19	88,775 00	118,800 00	46,101 56	528,614 67	12.6%	8.6%
1885.....	33,203 09	186,291 78	103,624 74	90,200 00	129,650 00	56,950 22	599,919 88	14.6%	10.3%
1886.....	88,425 36	242,310 10	107,811 17	106,475 00	125,225 00	40,501 84	710,747 97	18.1%	12.3%
1887.....	158,953 71	198,323 60	112,517 67	97,125 00	99,175 00	51,845 87	712,440 85	16.6%	11.6%
Increase in 1887.....	70,528 35	.....	4,706 50	.....	.....	.....	1,692 88	.....	.....
Decrease in 1887.....	.....	48,966 50	.....	9,350 00	26,050 00	10,844 53	.....	01.4%	01.6%

J—Statement of Gross Earnings from Shipments of Farm Products in Missouri.

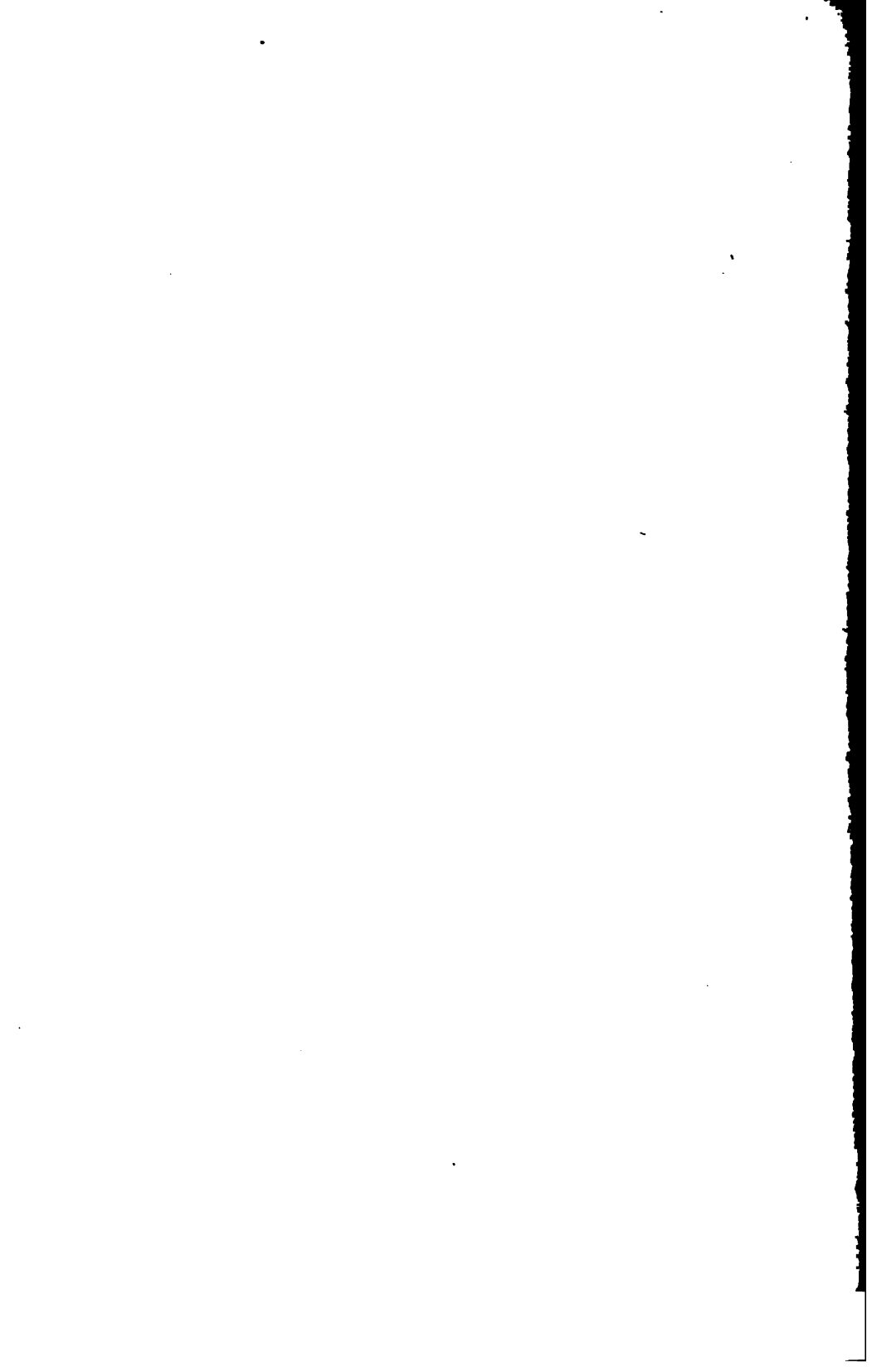
YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent. of Gross Earnings from Farm in Missouri.	Per cent. of Gross Earnings from Farm in Missouri.
1881.....	\$ 49,840 00	\$ 22,680 00	\$ 8,700 00	\$107,184 00	\$ 92,848 00	\$21,460 00	\$301,662 00	28.83	17.75
1882.....	177,231 00	87,651 00	12,615 00	67,920 00	62,440 00	39,567 00	897,424 00	29.75	20.75
1883.....	122,626 55	114,933 34	11,447 70	109,080 00	75,960 00	20,992 78	455,039 33	26.15	18.75
1884.....	106,493 29	42,416 77	9,824 26	81,440 00	84,440 00	15,042 17	340,656 49	19.75	13.75
1885.....	50,478 04	29,973 43	3,281 08	104,560 00	78,640 00	15,446 01	282,372 50	20.75	13.75
1886.....	71,187 44	21,751 91	7,863 44	103,880 00	77,640 00	25,219 10	307,541 89	20.75	13.75
1887.....	140,675 58	9,084 75	25,586 66	90,080 00	58,940 00	28,894 22	352,561 21	20.75	14.75
Increase in 1887..	69,488 14	.....	17,723 22	.....	.....	3,875 13	45,019 32	0.75	0.75
Decrease in 1887..	.....	12,667 16	.....	13,800 00	19,400 00	.....	.....	.....	.....

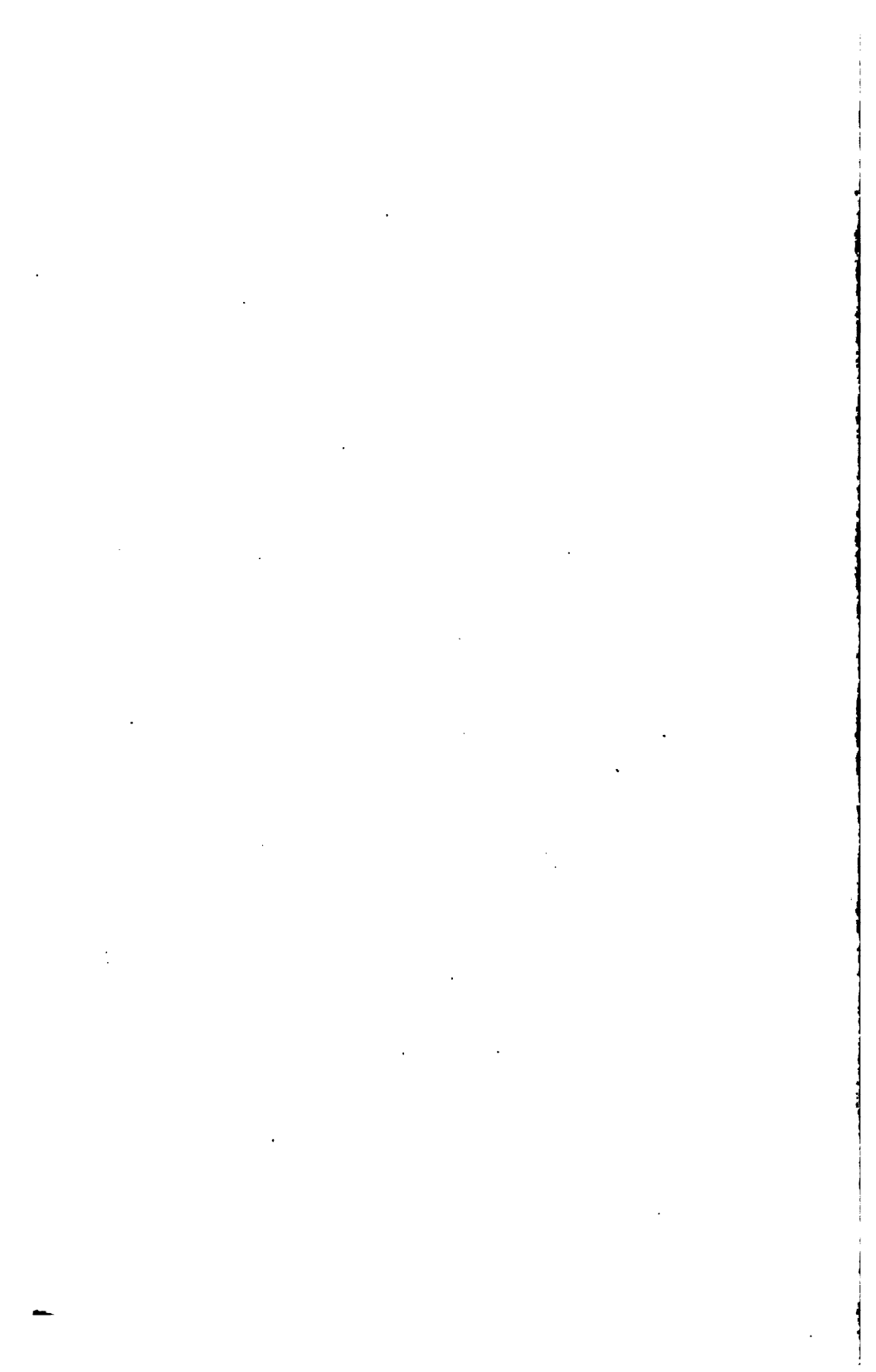
K—*Mileage of Cars and Details of Mileage, 1886 and 1887.*

	1886.	1887.	INCREASE.	DECREASE.	PER CENT.
Miles run by C. & A. Sleeping Cars on C. & A. R. R.	1,250,994	1,244,074	.....	6,920	00.55%
Miles run by Foreign Sleeping Cars on C. & A. R. R.	241,984	256,875	14,941	.....	06.16%
Miles run by Dining Cars on C. & A. R. R.	204,552	209,268	4,716	.....	02.30%
Miles run by C. & A. Coaches on C. & A. R. R.	5,764,989	5,779,986	14,997	.....	00.26%
Miles run by C. & A. Coaches on Foreign Roads.	17,681	57,811	40,130	.....	226.55%
Miles run by Foreign Coaches on C. & A. R. R.	71,889	104,309	32,420	.....	45.06%
Miles run by Pay Car.	27,557	36,265	8,708	.....	31.59%
Miles run by C. & A. Mail, Express and Postal Cars on C. & A. R. R.	2,632,348	2,643,362	11,014	.....	00.41%
Miles run by Foreign Baggage, Mail and Ex. Cars on C. & A. R. R.	6,690	7,152	462	.....	06.90%
Number of C. & A. R. R. Cars hauled Loaded, in Regular Service	636,830	665,010	28,180	.....	04.44%
Mileage of C. & A. R. R. Cars hauled Loaded, in Regular Service.	35,391,840	37,375,562	1,983,722	.....	05.60%
Number of C. & A. R. R. Cars hauled Empty, in Regular Service.	289,396	311,005	21,609	.....	07.46%
Mileage of C. & A. R. R. Cars hauled Empty, in Regular Service.	13,948,104	15,940,264	1,992,160	.....	14.33%
Number of C. & A. R. R. Cars hauled Loaded, in Construction Trains	56,513	78,019	21,506	.....	38.06%
Mileage of C. & A. R. R. Cars hauled Loaded, in Construction Trains	1,891,682	2,156,452	294,770	.....	15.58%
Number of C. & A. R. R. Cars hauled Empty, in Construction Trains	58,110	84,981	26,871	.....	46.36%
Mileage of C. & A. R. R. Cars hauled Empty, in Construction Trains	1,916,472	2,252,194	335,722	.....	17.53%
Number of Foreign and Line Cars hauled Loaded.	240,992	314,384	73,392	.....	30.44%
Mileage of Foreign and Line Cars hauled Loaded.	14,186,266	17,673,066	3,486,800	.....	24.56%
Number of Foreign and Line Cars hauled Empty.	139,899	163,228	23,329	.....	16.66%
Mileage of Foreign and Line Cars hauled Empty.	6,985,952	8,372,066	1,386,114	.....	19.84%
Whole Number of Loaded Cars hauled, in Regular Service.	877,892	979,394	101,572	.....	11.56%
Mileage of Loaded Cars hauled, in Regular Service.	49,578,108	55,048,689	5,470,583	.....	11.04%
Whole Number of Empty Cars hauled, in Regular Service.	429,295	474,233	44,938	.....	10.46%
Mileage of Empty Cars hauled, in Regular Service.	20,934,056	24,312,830	3,972,274	.....	18.96%

K—Mileage of Cars, etc.—(Continued.)

	1886.	1887.	INCREASE.	DECREASE.	PER CENT.
Whole Number of Cars hauled, in Regular Service, Loaded and Empty.....	1,307,117	1,453,627	146,510	.....	11 ² / ₁₀₀₀
Total Freight Mileage, Cars hauled, in Regular Service, Loaded and Empty.....	70,512,162	79,361,019	8,848,857	.....	12 ⁵ / ₁₀₀₀
Per Cent. of whole Mileage, Loaded.....	70 ⁵¹² / ₁₀₀₀	69 ³⁶¹ / ₁₀₀₀	.....	.....	01 ¹ / ₁₀₀₀
Per Cent. of whole Mileage, Empty.....	29 ⁵⁹⁸ / ₁₀₀₀	30 ⁶³⁹ / ₁₀₀₀	.....	.....	03 ¹ / ₁₀₀₀
Mileage of C. & A. Cars on Foreign Roads.....	20,669,770	27,061,236	6,391,466	.....	30 ⁷ / ₁₀₀₀
Total Mileage of C. & A. Freight Cars.....	73,787,868	84,785,769	10,997,901	.....	14 ⁹ / ₁₀₀₀
Average Revenue Tonnage of each Loaded Car hauled, in Regular Service.....	11 ⁴³² / ₁₀₀₀	11 ⁵⁵⁵ / ₁₀₀₀	.....	.....	.....
Average Revenue Tonnage of each Car hauled, in Regular Service, Loaded and Empty.....	07 ³⁴³ / ₁₀₀₀	8 ⁰⁸⁵ / ₁₀₀₀	.....	.....	.....
Tonnage of Company's Freight not embraced in above figures....	266,608	292,644	26,036	.....	09 ¹ / ₁₀₀₀





TWENTY-SIXTH ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

CHICAGO & ALTON

RAILROAD COMPANY,

FOR THE

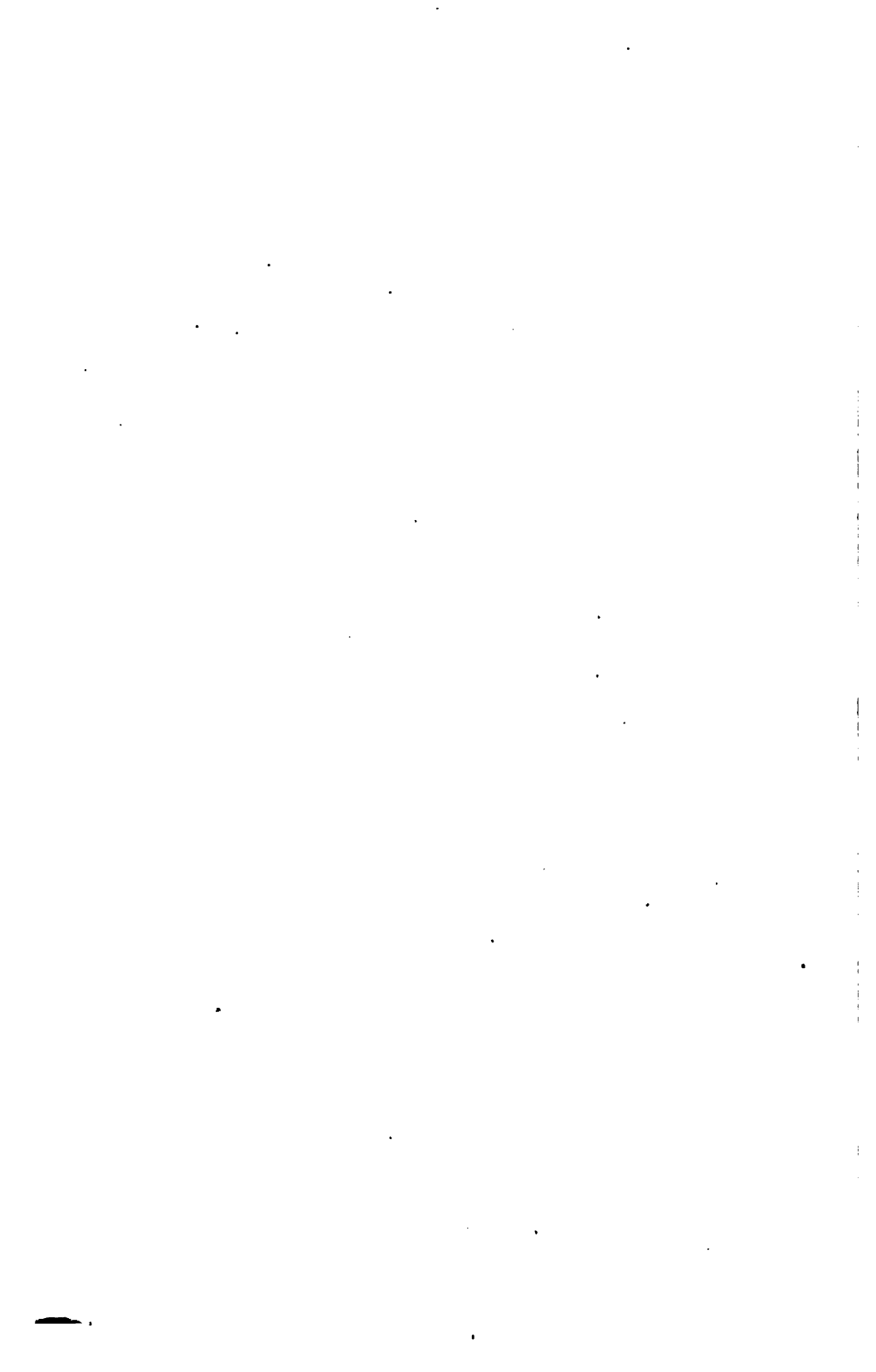
YEAR ENDING DECEMBER 31st, 1888.

ISSUED FEBRUARY, 1889.

CHICAGO:

RAND, McNALLY & Co., PRINTERS, 148-154 MONROE ST.

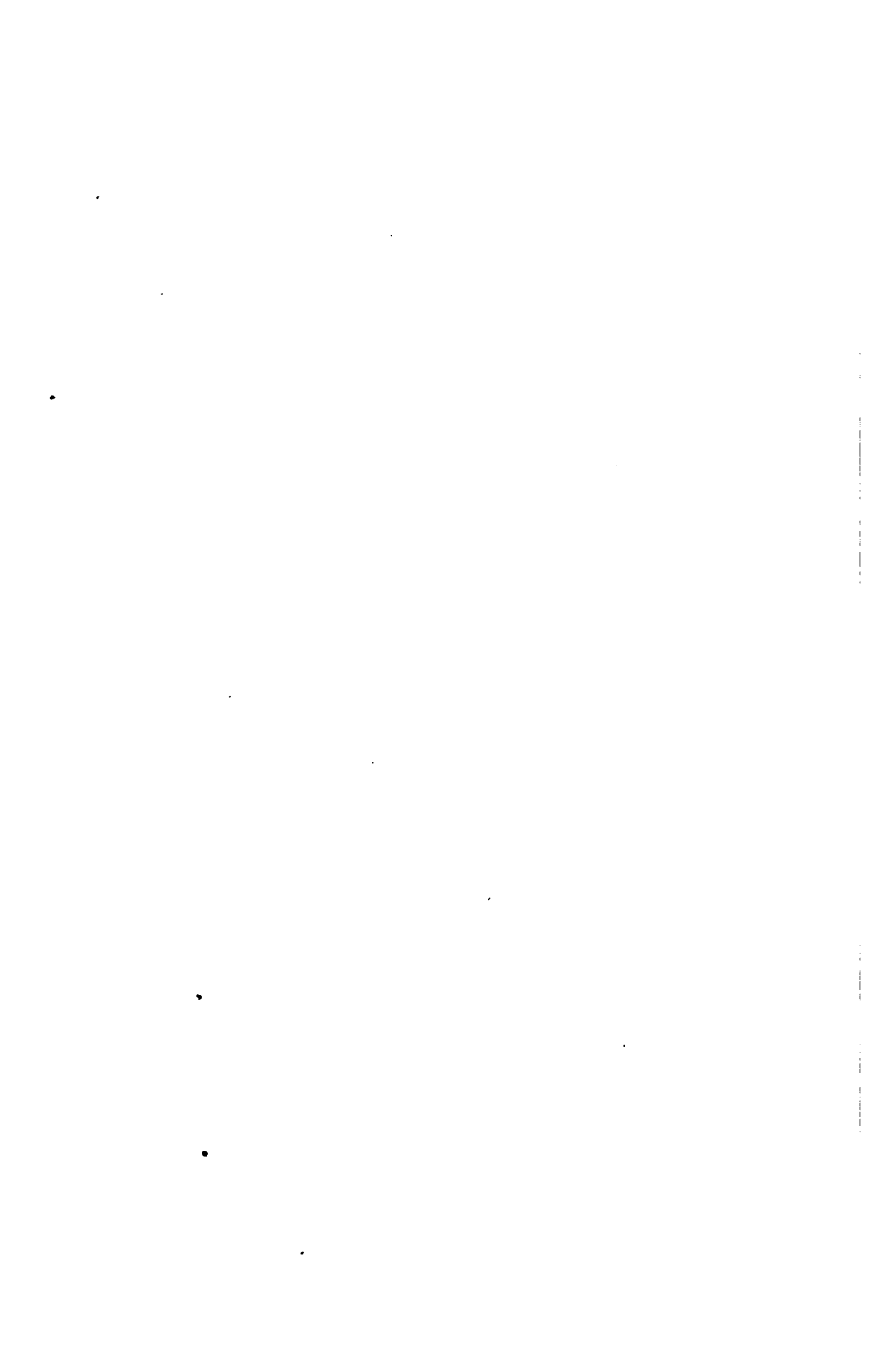
1889.



TWENTY-SIXTH ANNUAL REPORT
OF THE
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OF THE
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1889.



DIRECTORS.

T. B. BLACKSTONE.....	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1889.
JOHN B. DRAKE.....	CHICAGO, ILL.	
MORRIS K. JESUP.....	NEW YORK.	
JAMES C. McMULLIN	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1890.
WILLIAM A. SLATER.....	NORWICH, CONN.	
ALBERT A. SPRAGUE	CHICAGO, ILL.	
JOHN CRERAR.	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1891.
JOHN J. MITCHELL.....	St. Louis, Mo.	
(One vacancy.)		

OFFICERS.

T. B. BLACKSTONE.....	<i>President.</i>
J. C. McMULLIN.....	<i>Vice-President.</i>
CHARLES H. FOSTER.....	<i>Secretary and Treasurer.</i>
CHAUNCEY KELSEY.....	<i>Auditor.</i>
C. BECKWITH.....	<i>General Solicitor.</i>
CHARLES H. CHAPPELL....	<i>General Manager.</i>
T. M. BATES.....	<i>Superintendent of Transportation.</i>
J. H. WOOD.....	<i>General Manager's Assistant.</i>
H. H. COURTRIGHT.....	<i>General Freight Agent.</i>
JAMES CHARLTON.....	<i>General Passenger and Ticket Agent.</i>
K. F. BOOTH.....	<i>Chief Engineer.</i>
WM. WILSON	<i>Superintendent of Machinery and Cars.</i>
A. V. HARTWELL	<i>Purchasing Agent.</i>
A. M. RICHARDS.....	} <i>Division Superintendents.</i>
W. K. MORLEY	

DIRECTORS' TWENTY-SIXTH ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company :

The Board of Directors submit the following Report for the year ending December 31, A. D. 1888 :

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS		
Chicago to East St. Louis.....	280.70	74.24	107.75	462.69
Coal City Line.....	29.76	.....	9.56	39.32
Dwight to Washington and Lacon	79.80	.....	6.50	86.30
Roodhouse to Kansas City.....	250.72	0.87	60.08	311.67
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.....	158.00	.....	18.55	176.55
Mexico to Cedar City.....	50.00	.....	3.49	53.49
Total Miles	848.98	75.11	205.93	1,130.02

Eleven $\frac{48}{100}$ ths miles of second main tracks and six $\frac{47}{100}$ ths miles of side tracks have been added during the last year, and are included in the above statement.

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares.....	14,114,600 00
Total amount of Stock.....	<u>\$17,594,100 00</u>

MORTGAGE BONDS AND OTHER OBLIGATIONS.

First Mortgage Chicago & Alton 7 per cent. Bonds, due January 1, 1893.....	\$2,383,000 00	
St. Louis, Jacksonville & Chicago Railroad First Mort- gage 7 per cent. Bonds, due April 1, 1894, assumed by your Company.....	2,929,000 00	
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Bonds, due July 1, 1898, assumed by your Company.....	230,000 00	
Louisiana & Missouri River Railroad Company's First Mortgage 7 per cent. Bonds, due August 1, 1900, assumed by your Company in settlement of Accounts under Contract for Construction, dated July 5, A. D. 1870.....	439,100 00	
Chicago & Alton Sinking Fund 6 per cent. Gold Bonds, due May 1, 1903.....	2,331,000 00	
Consolidated Chicago & Alton 6 per cent. Sterling Bonds, due July 1, 1903—£900,000, say.....	4,379,850 00	
Mississippi River Bridge Company's First Mortgage Sink- ing Fund 6 per cent. Bonds, due October 1, 1912, assumed by your Company under terms of lease....	644,000 00	
Total amount of Bonds.....	<u>\$13,385,950 00</u>	

Joliet and Chicago Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed,	\$1,500,000 00	
Mississippi River Bridge Company's Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	800,000 00	
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent. annual dividends are guaranteed,	1,750,000 00	
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent. per annum, are contingent upon gross earnings....	271,700 00	3,821,700 00
Total.....	<u>\$34,751,750 00</u>	

The Louisiana & Missouri River Railroad is operated by your Company under a lease, which, by its terms, is to continue one thousand years from the first day of August, A. D. 1870. The lease provides that each year all taxes and assessments shall be deducted from the gross earnings of the road, and 35 per cent. of the remainder shall be the amount of rent for that year.

All lines of railway operated by your Company, except the one last referred to, its bridges over the Mississippi and Missouri Rivers, and other property pertaining to such lines, are owned by it subject to the several mortgages and other obligations above stated, although in some cases the property is held under perpetual lease and the amount paid as rent is a fixed charge.

Twenty-six shares of the common stock of this Company have been issued during the year, in exchange for an equal number of shares of the common stock of the St. Louis, Jacksonville & Chicago Railroad Company, pursuant to the agreement between that Company and the Chicago & Alton Railroad Company, dated April 14, 1884.

Eighty-six Thousand Dollars of the 6 per cent. Sinking Fund Gold Bonds of your Company, and Eleven Thousand Dollars of the Bonds of the Mississippi River Bridge Company have been redeemed and canceled, on account of Sinking Funds during the year.

REVENUE.

The Gross Earnings from Traffic, and Interest on temporary investments of surplus, during the last year were	\$7,784,717 63
The Total Disbursements during the same period for Operating Expenses, Taxes, Rent of Leased Lines, Interest on Bonds, and Dividends were	7,566,805 52
Balance	\$ 217,912 11

INCOME ACCOUNT.

By Balance December 31, 1887	\$3,016,243 02
By Interest on Bonds, Dividends on Stocks owned by your Company, and Sundry Receipts	273,252 44
By Gross Receipts from Traffic	7,511,465 19
	<u>\$10,800,960 65</u>

DISBURSEMENTS.

Interest on Funded Debt	\$ 825,657 59
Dividends	1,407,608 00
Rent paid Joliet & Chicago R. R. Co.	106,250 00
" " Louisiana & Missouri River R. R. Co.	152,374 38
" " Kansas City, St. Louis & Chicago R. R. Co.	385,831 15
" " Mississippi River Bridge Co.	71,000 00
Paid for Sinking Fund Bonds purchased	106,923 75
Paid from this Account for Additional Property, Cars, Real Estate, New Buildings and New Tracks	531,542 34
Operating Expenses, including Taxes	4,669,084 45
	<u>8,205,271 61</u>
Balance, December 31, 1888	\$2,595,689 04

The credit balance of the Income Account, as shown above, was reduced, during the last year, \$420,553.98. The amount expended for Real Estate, New Tracks, New Cars, and other additional property charged in that account, was \$531,542.34. Had no additional property been acquired, the balance referred to would have been \$110,988.36 larger at the end of the year than it was at the end of the preceding year.

The following Tabular Statements show Earnings and Expenses in 1888, compared with Earnings and Expenses in 1887 :

GROSS EARNINGS.

PER CENT.	1887.		1888.	PER CENT.
27.67%	\$2,474,154 22	From Passengers	\$2,221,004 79	29.61%
67.88%	6,070,689 81	" Freight	4,901,247 96	65.76%
01.68%	172,150 00	" Express	172,481 89	02.38%
01.68%	148,517 24	" Mails	157,791 67	02.19%
00.89%	75,925 54	" Miscellaneous	58,938 68	00.78%
	\$8,941,386 31	.....Total Earnings.....	\$7,511,465 19	

The Gross Earnings from Traffic in 1888, compared with those of 1887, were as follows :

	INCREASE.	DECREASE.	PER CENT.
From Passenger Traffic		\$ 258,149 43	10.33%
" Freight		1,169,891 35	19.76%
" Express	\$ 381 89		00.13%
" Mail	9,274 43		06.34%
" Miscellaneous Sources		16,986 66	22.81%

The decrease in Gross Earnings in 1888, compared with those of the preceding year is \$1,429,921.12 or 15.29% per cent.

OPERATING EXPENSES.

PER CENT.	1887.		1888.	PER CENT.
30.13%	\$1,588,025 55	For Conducting Transportation	\$1,631,072 61	34.24%
26.44%	1,420,267 59	" Motive Power	1,391,091 08	29.59%
30.85%	1,599,542 59	" Maintenance of Way	1,235,216 94	26.19%
12.59%	662,367 11	" Maintenance of Cars	410,703 87	08.79%
	\$5,270,202 84	.....Total.....	\$4,668,084 45	

The expenditures for operating and maintaining your railroad, compared with those of the preceding year, were as follows :

	INCREASE.	DECREASE.	PER CENT.
For Conducting Transportation	\$43,047 06		02.71%
" Motive Power.....		\$ 29,176 56	02.93%
" Maintenance of Way.....		364 325 65	22.77%
" Maintenance of Cars.....		251,663 24	87.99%

Decreased expenditures as above, compared with those of preceding year, \$602,118.39, or 11.42% per cent.

SUMMARY OF EARNINGS AND EXPENSES.

1887.		1888.
\$8,941,386 31	..... Earnings from all Sources	\$7,511,465 19
5,270,202 84	..... Operating Expenses.....	4,668,084 45
3,671,183 47	..... Net Earnings.....	2,843,380 74
58.41%	.. Operating Expenses per cent. of Gross Earnings..	62.14%
Decrease in Gross Earnings.....		\$1,429,921 12
Decrease in Operating Expenses.....		602,118 39
Decrease in Net Earnings.....		\$827,802 78

The decrease in Net Earnings in 1888 compared with Net Earnings in 1887, is 22.48% per cent.

EARNINGS PER MILE.

1887.		1888.
\$10,531 91	..... Gross Earnings per mile of Road.	\$8,847 63
6,207 68	..... Operating Expenses per mile of Road.....	5,498 46
\$4,324 23	..... Net Earnings per mile of Road.....	\$3,349 17

TOTAL GROSS EARNINGS FROM FARM PRODUCTS SHIPPED AT LOCAL STATIONS.

Years.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois.	Gross Earnings on Shipments of Farm Products from Local Stations in Missouri.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois and Missouri.	Per Cent. of Gross Earnings on Freight Traffic.	Per Cent. of Gross Earnings on all Traffic.
1881	\$799,324 00	\$301,662 00	\$1,100,986 00	19.345 1000	14.587 1000
1882	768,813 00	397,424 00	1,166,237 00	19.398 1000	14.188 1000
1883	576,792 90	455,089 32	1,031,882 22	16.858 1000	11.761 1000
1884	528,614 67	340,656 49	869,271 16	14.312 1000	9.981 1000
1885	590,919 83	232,372 50	822,292 33	16.311 1000	11.938 1000
1886	710,747 97	307,541 89	1,018,289 86	18.888 1000	12.833 1000
1887	712,440 85	352,561 21	1,065,002 06	17.543 1000	11.811 1000
1888	769,141 88	333,659 77	1,102,801 15	22.588 1000	14.881 1000
Increase in 1888 over 1887	\$56,700 53		\$37,799 09	4.957 1000	2.779 1000
Decrease in 1888 compared with 1887.		\$18,901 44			

A fraction more than one-fifth of the Gross Earnings from Freight Traffic during the last year was derived from the transportation of Farm Products shipped at Local Stations.

The average yearly Gross Earnings from such shipments compared with the Gross Earnings from Traffic of all kinds during the last eight years is found to be $12\frac{9}{10}$ per cent. The percentage in 1888 is about 2 per cent. more than the average for the period of eight years.

Statements in detail, of which the foregoing is a summary, will be found in the Appendix to this report.

Your rolling stock consists of two hundred and twenty-eight Locomotives, one hundred and fifty Cars for use in Passenger Trains, including nineteen Pullman Sleeping Cars, and seven thousand five hundred and forty-eight Freight Cars. Five hundred of the latter were built last year.

PERMANENT WAY.

All main tracks on main lines, all main tracks on branch lines—except twelve miles—and one hundred and thirty-seven miles of side tracks are laid with steel rails, nearly all of which are 70 lbs. to the yard.

During the last year seventy-two miles of track were ballasted with rock, twelve miles with cinders, and six miles with gravel. You have now seven hundred and ninety-six miles of well-ballasted track, and fifty-three miles of track partly ballasted. The latter being nearly all on the Cedar City Branch, where the traffic is light.

The cost of Ballasting last year, per mile of track, was, with rock, \$1,806.49; with cinders, \$1,033.10, and with gravel, \$963.40.

The work of improving grades and curves to which reference has been made in previous reports, has been continued. On two sections of your line between Roodhouse and Louisiana, for an aggregate distance of about twelve and one-half miles, a new location has been adopted and the work of construction is nearly completed. Two Hundred and Seventy-three Thousand Dollars having been expended on that work, from an appropriation made for that purpose in 1887.

On the new line the maximum grade will be about forty feet per mile, with easy curves, in place of maximum grades of greater length at the rate of sixty-four feet per mile, and curves of short radius on the line now operated. This improvement will obviate the necessity for Helping Engines on that part of your railroad and will reduce operating expenses.

On the Jacksonville Division of your railroad at Curtis, a grade which was steeper than any other on that division was reduced last year at a cost of \$18,000, which, with the cost of reducing grades between Mexico and Louisiana, makes an aggregate of \$42,000; this amount, with the cost of ballasting, \$146,662.38, makes a total of \$188,662.38, which was included in operating expenses.

Your railroad and all its appurtenances have been maintained in good condition, and many improvements, not specifically referred to, have been made during the last year and the cost of such improvements was charged to operating expenses.

The average number of men employed during the year was four thousand six hundred and sixty-three.

Of the amount expended in operating and maintaining your Railroad, excluding expenditures for the most important improvements and taxes, 65 per cent. was paid for labor and personal services, 29 $\frac{4}{10}$ per cent. for supplies of various kinds, and 5 $\frac{4}{10}$ per cent. for miscellaneous expenses.

For the efficient services rendered by your Officers in the several departments, and all persons employed under their direction, our acknowledgments are due.

Your attention is invited to the Tabular Statements and Accounts which will be found in the Appendix to this report.

GENERAL REMARKS.

The net earnings from traffic on your lines last year were less than in any year since 1879, and the earnings on other railroads in the West were reduced in most cases even more than in yours.

This result, with continued general prosperity in all commercial and agricultural interests served by the railways, seems to call for a brief review of the causes which have led to it.

Nearly all the unfavorable conditions attending that result may be directly or indirectly traced to State or Congressional legislation relative to constructing and operating railroads.

Your Company was organized in 1861 under the provisions of a special charter which grants authority to its President and Directors to "fix the rates of toll in the transportation of freight and passengers over its railroad."

At that time, and for several years thereafter, no one supposed that this grant of authority to "fix rates of toll" was subject to conditions or reservations other than Common Law obligations; as, for example, all "tolls" must be reasonable and must be equal in all cases under like circumstances and conditions, and other rules of like character to which common carriers had been subject for centuries.

While it can not be said that the State, in granting your charter, pledged itself in terms to afford the protection to your interests which would result from limiting the number of competing lines to such as the true interests of the people might require, it was believed that such reasonable protection would be given as a measure of security for all—for the public as well as shareholders.

Such protection has been given to railway investments in some of the Eastern States and in other countries where all new railways proposed are the subject of governmental inquiry, and are only authorized when they are needed by people who are not already provided with adequate railway facilities.

When as many railroads had been constructed in the most densely populated of the Western States as were needed, and competition began to control and reduce rates for transportation; when, in other words, the true interest of the people served by your lines demanded that no more railroads should be constructed—*until needed*, the opposite course was pursued.

General laws were enacted which authorized the organization of railroad companies without limit as to number, and each company, when

organized, had authority to locate its line in its discretion and construct its railroad without regard to interests other than its own.

This opened a tempting field for speculators, contractors, and brokers, who were prompt in constructing railroads which were not needed. In many cases *such roads served the purposes of those who promoted them while under construction* and have since deprived the older lines of traffic which they need for their support, and have also seriously complicated the railroad problem.

The evil effects which naturally followed this unwise policy led the people to seek a remedy by legislation and the employment of Railroad Commissioners who were required to *reduce* rates under circumstances which rendered an *advance* of rates necessary, if the numerous roads which the people had caused to be constructed were to be saved from bankruptcy.

Railroad shareholders are not represented in Western Legislatures; they have no voice in the enactment of laws under which their property is controlled, and are not consulted in the appointment of Railroad Commissioners, who, under the law, may honestly serve the people by complying with their wishes—even to the extent of confiscating railroad property.

It would be no more than fair to give the railroads in the West authority to appoint one-half of the members of each State Board of Railroad Commissioners—which should be constituted as a Board of Arbitration, with provision for an umpire when its members are equally divided upon any question relating to railroads.

We have no reason to doubt the honest intention of any man who is, or has at any time, been a Railroad Commissioner; but Commissioners are appointed—to use a common expression—“to protect the interest of the people.” In view of what has transpired, in some cases it would appear to be more nearly correct to say that the object of their appointment is to secure to the people such railroad service as they may demand, under such regulations as they may think proper, and for such compensation as they may be willing to pay.

The position of a Railroad Commissioner in the West is not such as permits him to act independently, as his judgment may dictate. He must reduce rates when the public demand reduction and he is often reminded that such is his duty. We believe, that without exception, the Commissioners have been disposed to deal as fairly with railroad interests as they have been permitted to do by the people whose servants they are.

No railroad has been constructed except under authority conferred by the people, and it must be assumed that the people have never permitted a railroad to be constructed by their authority, without intending to permit its managers to collect such charges for transportation over it as might

be found necessary to pay operating expenses and at least a small annual revenue on capital actually invested.

Has this been permitted since rates have been limited by the people, acting by their Agents, the Railroad Commissioners, and can rates be reasonable which are too low to produce that result on the great majority of the railroads?

Perhaps the best answer may be found in the results of railway traffic under Commissioners' supervision and direction as to rates in Illinois.

To avoid extending our inquiry farther than is necessary for the purpose of answering the question stated, we will limit it to the first twelve years under Commissioners' rule, and to such railroads as were to be found during that period in connection with, or crossing your lines in Illinois within two hundred miles of East St. Louis—including yours—twenty-four in number.

During that period of twelve years, twenty of the twenty-four railroads referred to were forced into bankruptcy, as follows: Five of them within one year, three within two years, four within three years, one within four years, three within five years, one within eight years, two within nine years, and one at the end of twelve years.

The territory referred to, we believe, is unequalled in fertility of soil, coal deposits, and other resources, by any other of equal extent in the United States. Other railroads have been constructed in the State during that period and later, which have met the same fate. Can it be possible that rates which produce such results are reasonable?

Rates fixed by the Commissioners in all the Western States are now lower than the rates were under which many roads have been forced into bankruptcy as already stated. We may well fear that like causes will produce like results.

Western railroads are compelled to sell their services at such prices as may be fixed by the people they serve. Slaves in the South served their masters on similar terms. But the law dealt more kindly with the slave. His master was required to support him.

It may be urged that the railroads still have some rights before the Courts in the matter of rates. The recent decision by the Supreme Court in Minnesota would appear to be conclusive on that point, unless overruled by the Supreme Court at Washington, and it is not probable that it will be over-ruled by that Court under laws now in force.

In the several decisions of the Supreme Court of the United States relative to the authority of railroad companies to establish rates for transportation over their lines, it has been held in substance—even in cases in which such authority has been given by special charter—that although such charters are contracts, they are such contracts as the States may dis-

regard when they see fit to do so. In other words, one party to such a contract can be compelled to conform to its provisions and the other—the State—may do so or not at its pleasure.

The right to use the property of another upon such terms as the party desiring such use may see fit to concede, is and must continue to be, until the Millennium, in most cases very nearly, if not quite equivalent to confiscation.

One of the results which must follow building competing railroads which are not needed, is the necessity for higher rates for transportation than would have been required if such unnecessary roads had not been constructed.

The popular belief has been and still is, apparently, that the more competing roads the less transportation will cost. That the policy of the people which appears to be based on that belief, has led to the construction of too many railroads and forced many roads into bankruptcy, is true; and it must continue to produce such results until changed. If, as has been decided by the Supreme Court of Minnesota, the people may enforce by the agency of railroad commissioners, rules and rates which practically confiscate railroad property, and that for such legal robbery "there is no remedy," the fact still remains that a given amount of transportation within the capacity of one road costs more when two or more competing roads are employed, and the persons desiring such transportation must *ultimately* pay at least what it costs. Notwithstanding the fact that for a *limited time* the completion of a competing railroad generally leads to ruinous competition, and gives the people the benefit of reduced rates. With more railroads than the commerce of the country needs, with many of the roads struggling to maintain their existence, with sharp competition and rates below actual cost of transportation in many cases, it would be strange indeed if under the resulting pressure of necessity to obtain money to meet current operating expenses, unjust discrimination did not sometimes occur. This condition of railroad affairs has led to the enactment of laws by State Legislatures and by Congress, under which nearly all authority originally granted to railroad companies relative to making rates for transportation, has been practically taken from them. Rates can now be made under the direction and subject to the approval of railroad commissioners only.

For years the question of reducing charges for railroad transportation in the West has often been a political one, and the cause of considerable competition among the active politicians, all of whom, it is hardly necessary to add, have taken the affirmative side of the question, while the Western shareholders, being about equal in number to one for each county, have, of course, had no political influence. Within the last few years a spirit of rivalry has been manifested by State Legislatures—each State apparently intending to secure rates on railroads within its jurisdiction—which shall be lower than rates in adjoining States.

Western Legislatures and Railroad Commissioners have, step by step, reduced the maximum rates which railroads are permitted to charge, until such rates are now lower than are charged on railroads in any other part of the world on which no larger amount of traffic is found, and this has been done where prices for labor and supplies required to maintain and operate railroads are higher than in any other country.

Legislation, which destroys the value of railroad property, must soon result in immense harm to the interests of the public.

According to statistics given in Poor's Manual for the year 1887, which is the latest compilation attainable, the value of the railroads in the United States is nearly nine thousand millions of dollars.

The net revenue derived therefrom averaged $3\frac{4}{10}\%$ per cent., or $2\frac{1}{10}\%$ per cent. on stock, and $4\frac{5}{10}\%$ per cent. on Bonds and Debt. A recent report of the British Board of Trade shows that the average profit on all capital invested in English railroads in 1887 was $4\frac{8}{10}\%$ per cent., as compared with $3\frac{4}{10}\%$ per cent. in the United States; and that the capitalization per mile of railroad is four times as great in England as in this country.

Do these facts show that the railroads in this country are earning more than they are fairly entitled to? Are the railroads earning a larger profit than business men to whom their service is indispensable? Do they earn as much as the law allows as a reasonable rate of interest for money loaned on good security? Should they not be permitted to earn as much as the legal rate of interest on money loaned, if they can fairly do so; while the law gives them no guaranty that they shall earn anything?

Experience has demonstrated in other countries as well as in the United States that agreements between competing common carriers (called pools) do not prevent competition within reasonable limits, or lead to rates unreasonably high; but do tend in some degree to prevent "railroad wars" and rates ruinously low, such as so often prevail in the absence of such agreements, and do in many ways afford protection to the railroads and the public.

It is not claimed that such agreements will obviate all the evils which result from building too many competing railroads, but they are the best remedy that has been discovered in this or any other country and will obviate many of them.

In Germany where about three-fourths of the railroads are owned by the Government it has been found impossible to arrive at satisfactory results without pooling the Government roads with those owned by individuals. In France the same object is attained by a division of territory between the several lines.

In England all roads unite in a "Clearing House Association," which is managed by representatives of the several lines and is chartered by the Government.

The division of competitive traffic on European railroads has been authorized, and in many cases required by law, after experiments in many other ways for years.

A division of such traffic by what we call pools—by a division of territory, or in some way which is the practical equivalent of a pool—is, so far as we can learn, conceded in all other countries to be necessary for the protection of the public interest. Why should not the people in this country profit by the experience of people in other countries? In this country the Inter-State Commerce Act declares all pooling agreements unlawful. This restriction and others contained in the Inter-State Commerce Act were all that were necessary to be added to those imposed under State laws to produce the chaotic condition of affairs which has existed for the last year, alike unsatisfactory to those who have invested their savings in Western railroad property, and to the public.

For the present disastrous condition of railroad affairs in the West, your Company has, for the last fifteen years, continued to make the best preparation in its power, and especially during the last ten years, in which it has appeared inevitable; it has steadily resisted all inducements to add to its system of lines or increase its obligations for any other purpose.

Your Company has, each year, expended large sums for ballasting its roadbed in the most substantial manner, which work is now nearly completed. It has substituted iron, steel, and masonry for wood in its bridges and culverts. It has made many important improvements in curves and grades. It has made additions to its second main tracks and side tracks, and to its rolling stock, and, in many ways, improved the condition of its property so as to provide for the best possible service at the least possible cost.

We may confidently state that your railroad and its equipment are in as good condition for such service as that of any other company in the West, and very few, if any, railroads in the country are in better condition.

Taking into account the loss sustained by the original corporations which constructed that part of your lines between Joliet and Alton, and operated it until it passed from their hands to yours by foreclosure and sale under the original mortgages, and the amount which your Company has expended for additional property not represented by stock or bonds, we find not only that your Company has never issued a share of stock or an obligation of any kind that did not represent at its par value an equal amount of cash or its full equivalent in property at the time actually received; but also that the original cash cost of your property, as nearly as it can be ascertained, is \$10,989,878.15—or, in round numbers, eleven millions of dollars more than the par value of the total amount of stock and bonds which your Company has issued or assumed.

(To ascertain the difference between the original cost of your property and the amount of stock and bonds for which your Company is responsible, now outstanding, \$725,000 should be added to the amount above stated, being the amount of Bridge and Sinking Fund Bonds since paid and canceled in place of which no stock or bonds have been issued; making a total of \$11,750,000 excess of original cost over present capitalization,

We may add that from the most accurate estimate we are able to make, your property, in its present condition, could not now be reproduced for a sum which would be equal to the total amount of stock and bonds issued by your Company, now outstanding, the obligations it has assumed, and fifteen millions of dollars added thereto.

Since your Company became the owner of the St. Louis, Jacksonville & Chicago Railroad, by the exchange of shares of stock under the contract dated April 14, 1884, no shares of stock, except as required by that contract, and no bonds have been issued.

The reduced annual charges on account of the St. Louis, Jacksonville & Chicago Railroad since its purchase, compared with the amount of annual rent before paid—assuming the continuance of the same rate of dividends on your shares—is about \$80,000.

The total amount required to pay all Fixed Charges, Sinking Funds, Rents, and Dividends on your shares of stock in 1888 is \$159,953.32 less than was required for such payments in 1883; the payments on account of Sinking Funds and the rate of dividends being the same in each year.

The present condition of railway affairs in the West is far from satisfactory, and while we do not believe that it is the intention of the State or National Government to deal unjustly with railroad companies, we do believe that some of the present legal restrictions are unjust and should be repealed or amended.

We believe that railroad companies should be held to a strict compliance with Common Law rules, and that subject to such rules they should be permitted to deal with their competitors under such agreements as they may be able to make and thereby secure the maintenance of reasonable rates for transportation and reduce operating expenses as much as may be consistent with good service to the public.

The most potent cause of present and prospective troubles is one for which the State Governments are responsible. They have authorized and permitted too many competing railroads, for which there appears to be no adequate remedy except increased traffic. For such large increase of traffic as is needed to produce a reasonable annual return on the actual cost of all Western Railroads under present legal restrictions, we can see no prospect in the immediate future.

Many persons, who assume to represent the public, charge railway managers with responsibility for all causes of complaint.

With all due respect for such persons and for the public, we must be permitted to say that such statements either show that they do not fully comprehend the situation or that many of the descendants of Adam have inherited the disposition he manifested in the Garden of Eden when he tried to hold the weaker party responsible for his own act.

We congratulate you on the strong financial condition of your Company, upon the good condition of your property, upon your comparatively small and compact railroad system, and upon its exceptionally good location with termini at Chicago, St. Louis, and Kansas City, three of the largest and most important Western Cities.

With the advantages of your Company which we have referred to, we think you have no cause to fear that it will not be able to maintain its present rank among Western Railroads.

We hope that present legal restrictions—which, if continued, must produce serious results—will be removed or changed so as to be less destructive to railroad interests at no distant day.

The greatest danger you have cause to fear is, in our judgment, continued unjust legal restrictions which may, in time, render your property, and that of all other Western Railroad Companies, of little or no value.

There is no class of persons in the United States which has done as much to promote the development of the country and the general welfare of its inhabitants as railroad shareholders, and that class is the only one which is prevented by legal restrictions from participating in common with others in the remarkable increase in value of property which has occurred—especially in the West—which would have been impossible without railroads. Investments in railroads can not be withdrawn, and the value of such property depends wholly upon the right to collect reasonable rates for transportation. Whether rates fixed by the people are reasonable or unreasonable, is a question which the Supreme Court of the United States has in effect decided is not within its jurisdiction. It is a fact which should cause every honest citizen of our country to blush with shame, that under our “Government of the people, by the people, and for the people,” the property rights of the whole people are not protected.

We think it is our duty to call your attention to the facts we have stated, and we hope that your influence will be exerted in such manner as you may think proper to secure such relief as the common interest of the public and railway shareholders demands.

By order of the Board,

T. B. BLACKSTONE,

President.

APPENDIX.

AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 7, 1889.

To the Board of Directors:

GENTLEMEN: I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31st, 1888, and the operations of the road for the fiscal year 1888:

A — General Balance Sheet.

B — Income Account.

C — Additional Property Account.

D — Gross Earnings from Traffic for the year.

E — Statement of Monthly Earnings from 1879, and Annual Expenses and Profits.

F — Passenger Statistics and Comparisons.

G — Freight Statistics and Comparisons.

H — Freight Transported.

I — Statement of Gross Earnings from Shipments of Farm Products in Illinois.

J — Statement of Gross Earnings from Shipments of Farm Products in Missouri.

K — Mileage of Cars and Details of Mileage.

Respectfully yours,

CHAUNCEY KELSEY,

Auditor.

A—General Balance Sheet, December 31, 1888.

To Cost of Road and Equipment.....	\$20,388,702 60	By Income Account.....	\$2,596,686 04
To Construction of Upper Alton Line.....	316,861 42	By Capital Stock, Common.....	\$14,114,600 00
To Construction of Coal City Branch.....	690,416 34	By Capital Stock, Preferred.....	3,479,500 00
To Construction of Western Division.....	1,116,734 91	By First Mortgage Bonds.....	2,383,000 00
To Construction of Louisiana Branch.....	1,389,537 92	By Consolidated Sterling Bonds.....	4,879,560 00
To Cost of St. L., J. & C. R. R. Bonds Assumed.....	2,407,000 00	By St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds, Account Louisiana Branch.....	564,000 00
To St. L., J. & C. R. R. Co.'s Preferred Stock.....	1,054,100 00	By St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds, Account Louisiana Branch.....	188,000 00
To St. L., J. & C. R. R. Co.'s Common Stock.....	1,612,700 00	By St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds, Account Main Line.....	2,385,000 00
To Original Cost of the Mississippi River Bridge.....	.....	By St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds, Account Main Line.....	42,000 00
To Cash on Hand and on Call.....	.....	By Joliet & Chicago R. R. Stock on which C. & A. guarantees 7 per cent. per annum dividend.....	1,500,000 00
To Due from Agents, Cash in Transit.....	.....	By Joliet & Chicago R. R. Bonds, paid and canceled.....	500,000 00
To Supplies for Current Operations, Car and Locomotive Departments.....	\$ 36,475 85	By Mississippi River Bridge Stock, Guaranteed.....	300,000 00
To Machinery and Tools in Machine Shops.....	280,318 90	By Mississippi River Bridge Bonds, Assumed (now outstanding).....	644,000 00
To Machinery and Tools in Car Shops.....	76,446 58	By Mississippi River Bridge Bonds, p'd and cancel'd.....	56,000 00
To Kansas City, St. Louis & Chicago R. R. Co.'s Common Stock.....	\$157,600 00	By Vouchers and Pay Rolls for Dec., 1888, due Jan., 1889.....	454,238 58
To Louisiana & Missouri River R. R. Co.'s Second Mortgage Bonds.....	70,000 00	By Wages Checks issued prior to Dec. 1, 1888, not presented.....	35,869 84
To St. Louis Music Hall & Exposition Stock.....	5,000 00	By Unpaid Wages, due prior to Dec. 1, 1888, not claimed.....	45,198 97
To Inter-State Industrial Exposition Stock.....	1,000 00	By Sinking Fund Gold Bonds.....	537,295 39
To Louisiana & Mo. River R. R. Co.'s First Mortgage Bonds.....	84,210 00	By Sinking Fund Gold Bonds, redeemed and canceled.....	2,351,000 00
To St. L., J. & C. R. R. Co.'s First Mortgage Bonds.....	49,826 13	By First Mortgage Sinking Fund Bonds, Paid and Mortgage Discharged.....	669,000 00
To Kansas City Union Depot.....	21,000 00	By Louisiana & Missouri River R. R. Bond Account.....	3,000,000 00
To Sinking Fund Gold Bonds.....	.....	By New Common Stock Unissued.....	600,000 00
To Kansas City, St. L., & C. R. R. Co.'s First Mortgage Bonds.....	.....	By Unclaimed Coupons.....	459,100 00
To Mississippi River Bridge Co.'s Stock owned by C. & A. R. R.....	\$300,000 00	By Missing Sinking Fund Coupons.....	1,400 00
To Mississippi River Bridge Co.'s Bonds owned by C. & A. R. R.....	183,000 00	By Mississippi River Bridge Co., Balance Sinking Fund Unappropriated.....	58 80
To Illinois Trust & Savings Bank, Common Stock in Trust.....	.....	By accrued Rent not yet due Kansas City, St. Louis & Chicago R. R. Co.....	798 70
To United States Trust Co., Sinking Fund.....	1,900 00	By accrued Rent not yet due Louisiana & Missouri River R. R. Co.....	350 00
To Bills Receivable: Includes Note of Louisiana & Missouri River R. R. Co. for \$21,888.95 of Dec. 1, 1887.....	113,051 61	By Unexpended Appropriation for Repairs, Real Estate and Impt's By Amount due to Individuals and Companies.....	103,084 00
To United States Government Post Office Department.....	89,201 47		194,989 65
To "Odell Property" Trustee.....	\$ 5,000 00		141,176 60
To Grundy County Lands, Trustee.....	70,000 00		\$58,126,436 08
To Kansas City, St. Louis & Chicago Construction.....	7,406 16		
To Amounts due from Individuals and Companies.....	164,742 75		
	\$58,136,436 08		

[illegible]

D—Gross Earnings from Traffic for the Year ending December 31st, 1888.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January.....	\$169,371 26	\$400,891 81	\$85,114 95	\$605,378 02
February	159,506 17	294,253 54	32,708 24	486,462 95
March	184,724 89	387,807 20	35,854 99	557,887 08
April	174,027 58	345,991 26	32,358 04	552,376 88
May.....	182,329 21	386,761 68	30,990 23	600,081 12
June.....	184,906 11	378,022 78	32,291 74	595,220 63
July	205,256 97	397,145 94	29,242 20	631 645 11
August	191,711 03	506,262 58	30,645 02	728,618 63
September	205,682 56	477,397 63	33,298 46	716,378 65
October.....	246,013 90	527,000 94	32,336 17	805,351 01
November	163,933 42	486,401 28	30,087 26	680,421 96
December.....	153,541 69	413,811 32	34,290 14	601,643 15
Totals for Year ...	\$2,221,004 79	\$4,901,247 96	\$389,212 44	\$7,511,465 19

E — Monthly Earnings of The Chicago & Alton Railroad Company.

MONTHS.	1879	1880	1881	1882	1883	1884	1885	1886	1887.	1888.
January	\$343,737 34	\$324,054 42	\$499,120 16	\$558,829 51	\$646,888 29	\$656,641 80	\$646,884 70	\$557,540 75	\$672,509 42	\$605,378 02
February	307,680 86	497,013 47	474,318 05	517,896 81	537,383 68	578,284 25	587,322 44	542,186 74	584,409 35	488,462 95
March	327,370 44	696,472 11	539,914 97	588,699 98	688,694 13	697,918 46	680,850 56	612,647 11	715,754 86	557,867 08
April	335,393 51	542,960 64	558,189 72	564,860 75	600,877 77	607,261 18	591,636 62	576,634 54	654,049 34	552,378 88
May	421,936 92	616,128 16	548,535 45	559,577 18	646,729 67	652,661 51	591,091 00	595,584 69	681,018 64	600,081 12
June	447,798 60	617,523 94	635,859 58	617,260 48	667,507 81	668,069 74	591,200 21	637,464 04	717,189 53	565,220 63
July	536,843 30	708,906 28	676,204 74	709,635 48	731,502 98	780,944 17	668,392 70	715,166 75	817,640 78	681,645 11
August	583,822 09	761,119 69	769,751 47	856,397 95	886,556 44	959,903 55	726,104 68	741,261 54	864,900 93	738,618 68
September	629,811 30	767,348 64	774,790 21	912,691 79	934,915 57	916,964 08	755,825 36	777,413 50	842,061 93	718,378 65
October	668,169 78	785,199 16	771,843 58	858,673 70	901,618 75	889,087 23	797,046 91	808,042 82	908,373 17	803,351 01
November	601,100 78	696,775 53	672,880 22	749,915 59	801,187 83	753,856 74	738,098 28	758,417 25	801,680 07	630,481 96
December	553,014 42	543,732 99	646,812 27	701,065 80	749,219 96	692,711 51	703,925 87	737,121 51	746,569 29	601,143 15
Total	\$5,755,677 19	\$7,667,925 96	\$7,587,740 42	\$8,215,495 12	\$8,810,610 98	\$8,709,374 22	\$7,993,169 38	\$8,060,839 34	\$8,941,386 31	\$7,511,465 19
Expenses, in- cluding taxes,	\$3,171,456 59	\$4,309,241 27	\$4,321,375 00	\$4,684,508 50	\$5,097,033 62	\$5,138,790 16	\$4,613,847 40	\$4,650,955 18	\$5,270,202 84	\$4,668,084 45
Profits	\$2,584,220 60	\$3,477,684 71	\$3,266,365 42	\$3,530,986 62	\$3,713,577 36	\$3,575,484 06	\$3,380,321 98	\$3,409,884 16	\$3,671,183 47	\$2,843,380 74

F—Statement of Passenger Statistics and Comparisons.

DESCRIPTION.	1885.	1886.	1887.	1888.	INCREASE.	PER CENT.	DECREASE.	PER CENT.
Total Number of Passengers Transported of Through Passengers.	1,721,286	1,735,549	1,765,196	1,830,535	65,339	03.70%		
Total Number of Local Passengers.	127,135	134,248	147,754	147,825	71	00.04%		
Percentage of Local Passengers to Whole Number.	1,594,151	1,601,301	1,617,442	1,682,710	65,268	04.03%		
Percentage of Through Passengers to Whole Number.	92,414	92,245	91,756	91,816	100	00.10%		
Number of Local Passengers Moved South.	7,386	7,126	8,311	8,016				
Number of Local Passengers Moved North.	783,392	789,352	796,818	832,198				
Number of Through Passengers Moved South.	810,759	811,949	820,624	850,512	35,380	04.34%		
Number of Through Passengers Moved North.	60,071	64,424	70,719	71,160	29,888	03.70%		
Number of Passengers Carried One Mile.	67,064	69,824	77,035	76,665	441	00.57%		
Average Distance Traveled by Each Local Passenger.	109,078,875	114,250,157	120,001,687	118,007,585			370	00.30%
Average Distance Traveled by Each Through Passenger.	63,371	65,829	67,988	64,466			1,994,102	01.99%
Number of Local Passengers Carried One Mile.	64,084,291	65,670,488	67,798,206	65,370,465			3,618	05.55%
Average Rate Paid per Mile by Local Passengers.	40,187	41,911	41,916	38,848			2,427,741	03.70%
Average Rate Paid per Mile by Through Passengers.	2,203	2,343	2,553	2,176			3,068	07.12%
Average Rate Paid per Mile by Local Passengers.	2,100	2,100	2,100	1,816			1,000	08.70%
Average Rate Paid per Mile by Through Passengers.	1,173	1,520	1,816	1,816			1,000	03.88%
Average Number of Passengers Carried per Train Mile.	64,100	66,100	68,100	60,100			302	16.00%
Average Fare Paid by Each Passenger.	\$1.28	\$1.33	\$1.40	\$1.21			8,000	11.00%
Number of Pieces of Baggage Handled.	770,414	785,968	862,451	885,365			\$0.19	13.00%
Earnings from Excess Baggage.	\$ 19,474 31	\$ 22,175 05	\$ 22,284 20	\$ 25,377 55	\$ 3,093 35			

G—Freight Statistics and Comparisons.

	1884.	1885.	1886.	1887.	1888.	INCREASE.	DECREASE.	PER CENT.
Tonnage of Freight Transported	3,598,284	3,631,108	3,651,100	4,123,120	3,785,160	.....	337,960.	08.197
Tonnage of Local Freight.....	2,617,904	2,741,801	2,713,446	3,083,412	2,984,774	.....	98,638	03.188
Percentage of Whole Tonnage—Local	72.16	75.51	74.33	74.78	78.86	.....	.....	06.100
Tonnage of Through Freight.....	980,380	889,307	937,654	1,039,708	800,386	04.07	239,322	23.103
Percentage of Whole Tonnage—Through.....	27.85	24.49	25.68	25.22	21.15	.....	.....	16.138
Revenue Freight Carried One Mile, in Tons.....	602,768,054	538,522,498	560,834,279	641,651,562	533,866,327	.....	107,785,235	16.100
Average Rate per Ton per Mile on Revenue Freight.....	01.007	01.009	00.961	00.944	00.818	.....	00.028	02.360
Average Distance each Ton was Carried.....	167.100	148.308	153.604	155.023	141.000	.....	14.000	09.368

H—Freight Transported.

ARTICLES.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	INCREASE.	DECREASE.
Merchandise and Sundries.....									
Iron.....	504,466	518,689	540,186	613,731	747,888	944,985	764,685		180,880
Coal.....	231,894	117,136	131,670	152,076	189,018	218,681	86,834	68,960	182,797
Brick and Mill Stuffs.....	1,390,641	1,416,850	1,376,880	1,390,855	1,393,618	1,563,976	1,639,895	15,872	
Wool.....	94,669	84,704	83,740	48,769	8,903	98,186	43,407		
Hides.....	6,148	3,559	6,738	5,788	8,903	8,250	1,770	1,540	
Broom Corn.....	5,761	3,913	4,180	5,315	8,543	4,281	2,148	2,088	
Broom.....	1,788	2,860	3,860	1,902	240	1,565	455	8,766	
Hay.....	18,202	17,855	19,281	27,220	26,911	28,814	83,580		
Brick and Sand.....	76,871	61,968	100,223	164,134	184,596	182,002	182,949	183	6,063
Stone.....	72,833	10,176	10,188	5,676	8,744	12,579	11,762		
Wheat.....	72,833	72,834	73,877	70,051	77,167	108,146	181,270	32,224	
Corn.....	6,127,931	5,335,811	6,530,664	2,623,663	3,485,056	3,941,188	4,615,512	674,374	
Oats.....	8,275,923	10,396,499	10,492,786	8,143,313	5,236,184	4,792,081	4,920,117	1,236,353	
Barley.....	3,504,055	2,654,779	3,534,407	3,636,310	8,719,791	4,354,280	5,480,468	1,085,168	
Rye.....	280,800	317,593	453,628	515,378	615,378	696,540	1,085,168	168,088	
Potatoes.....	144,716	383,273	158,459	81,898	44,232	22,798	103,641	80,843	
Flour.....	198,967	498,190	61,419	226,088	294,210	905,715	295,970	61,855	
Whisky.....	784,875	934,800	643,036	594,303	471,765	538,324	506,754	6,973	18,570
Beef.....	18,535	12,866	16,194	14,454	4,492	21,777	88,295	9,321	21,777
Pork.....	76,786	19,348	65,570	51,234	116,768	78,674	25,758	3,756	
Lard.....	137,277	99,952	16,683	35,111	35,111	29,514	67,038	338	
Salt.....	89,394	57,313	111,563	97,466	65,879	67,381	102,450,594	2,960	27,645,309
Shingles.....	114,843,799	166,096,815	182,326,340	183,435,993	141,279,903	190,065,903	3,211		
Posts, Staves, etc.....	2,492	14,337	16,179	15,321	19,019	10,999	15,059	4,060	
Cattle.....	16,471	920,818	893,084	884,185	893,676	473,483	519,018	46,961	
Hogs.....	241,379	775,631	960,017	1,031,326	768,950	637,503	665,262	97,779	
Sheep.....	605,823	107,630	147,636	107,814	96,414	165,018	893,041	164,083	
Horses.....	181,548	17,018	15,961	14,534	20,968	34,264	34,407	173	
Milk.....	15,197	511,736	518,176	547,776	560,360	682,273	707,136	26,534	
Cured Meats.....	453,134	2,931	5,569	2,768	299	298			
Cotton.....	7,190	11,961	10,086	30,068	36,493	37,933	92,261	8,672	298
Butter.....	20,297	142,705	142,968	4,343	305,671	216,145	18,223	1,468	197,983
Seeds.....	1,181	4,367	878	300	2,145	4,879	1,291	3,686	
Clay.....	1,086	1,396	6,731	8,044	5,282	29	1,893	1,773	
Drain Tile.....	667	12,533	10,954	11,653	11,797	7,366	7,643	277	
Lime.....	3,465	12,333	11,567	8,043	10,277	10,961	9,938	973	
Straw Boards.....	732	4,988	5,025	8,398	7,032	6,064	9,279	2,595	

I—Statement of Gross Earnings from Shipments of Farm Products in Illinois.

YEAR.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent. of Gross Earnings on Freight in Illinois.	Per cent. of Gross Earnings on all Traffic in Illinois.
1881.....	\$ 78,364 00	\$347,867 00	\$65,560 00	\$ 81,817 00	\$162,481 00	\$68,735 00	\$799,824 00	18.66	18.76
1882.....	109,146 00	822,743 00	68,688 00	84,675 00	183,350 00	50,811 00	768,813 00	16.77	12.36
1883.....	90,471 24	188,100 54	69,497 54	96,225 00	103,700 00	78,798 58	576,792 90	12.66	09.84
1884.....	79,655 11	110,162 81	85,120 19	88,775 00	118,900 00	46,101 56	528,614 67	12.40	08.10
1885.....	33,203 09	186,291 78	103,624 74	90,200 00	129,650 00	56,950 22	599,919 83	14.43	10.46
1886.....	88,425 36	242,810 10	107,811 17	106,475 00	125,225 00	40,501 34	710,747 97	16.76	12.76
1887.....	153,953 71	193,323 60	112,517 67	97,125 00	99,175 00	51,846 87	712,440 85	16.76	11.76
1888.....	176,558 69	199,047 18	146,345 50	74,200 00	97,350 00	78,640 01	769,141 88	20.46	13.76
Increase in 1888.....	17,604 98	5,738 58	35,827 83	22,925 00	1,825 00	22,294 14	56,700 53	04.76	02.76
Decrease in 1888.....									

J—Statement of Gross Earnings from Shipments of Farm Products in Missouri.

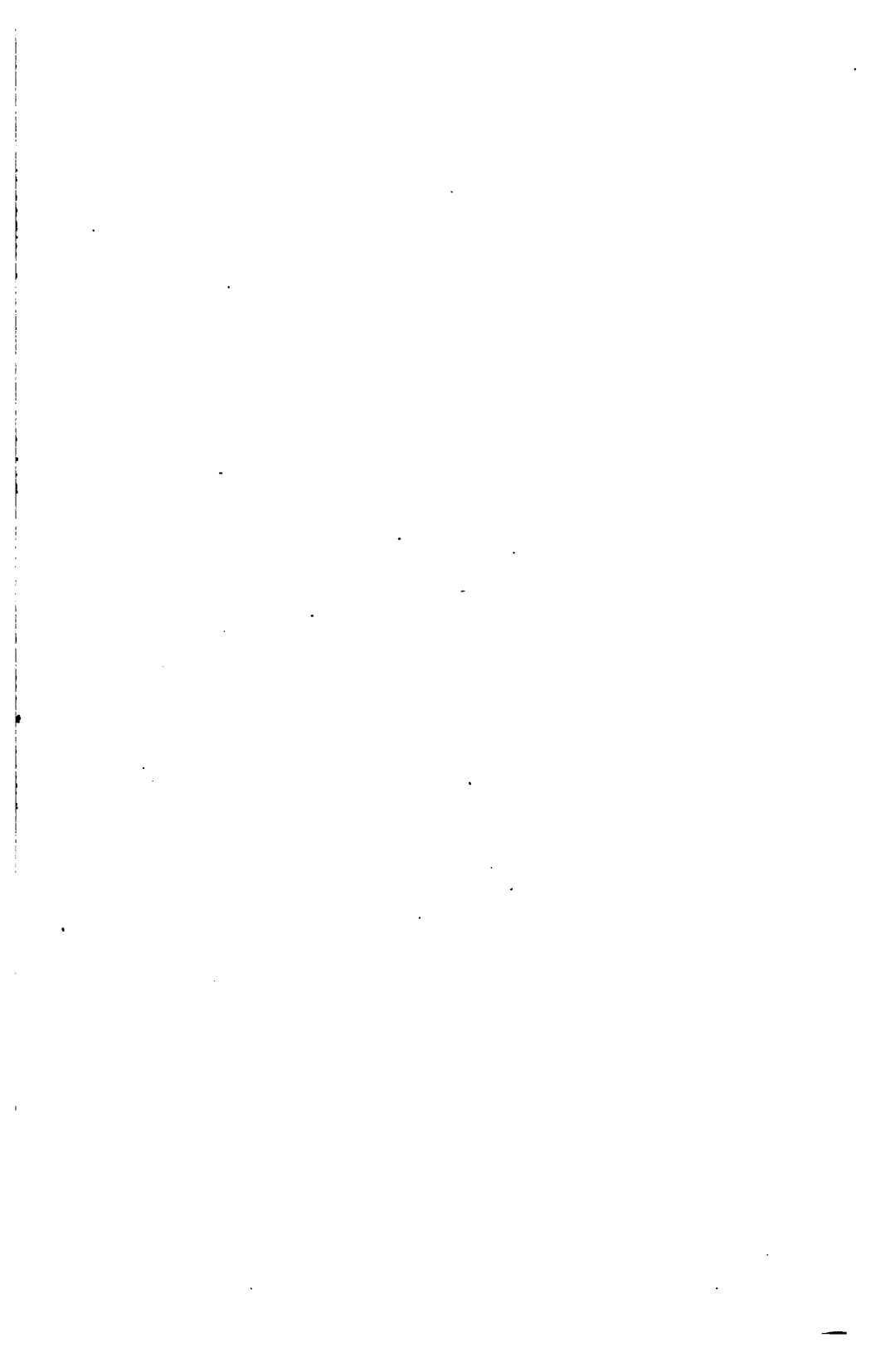
YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent. of Gross Earnings on Fst Traffic in Missouri.	Per cent. of Gross Earnings on all Traffic in Missouri.
1881.....	\$ 49,840 00	\$ 22,680 00	\$ 8,700 00	\$107,134 00	\$92,848 00	\$21,480 00	\$301,663 00	28.65	17.76
1882.....	177,281 00	37,651 00	12,615 00	67,920 00	62,440 00	39,567 00	397,424 00	29.55	20.76
1883.....	122,626 55	114,982 84	11,447 70	109,080 00	76,960 00	20,992 78	455,039 82	26.76	18.76
1884.....	106,493 29	42,416 77	9,824 26	81,440 00	84,440 00	16,042 17	340,656 49	19.76	13.76
1885.....	50,473 04	29,972 42	3,281 08	104,560 00	78,640 00	15,446 01	282,872 50	20.55	13.76
1886.....	71,187 44	21,751 91	7,868 44	108,880 00	77,640 00	25,219 10	307,541 89	20.76	13.76
1887.....	140,675 58	9,084 75	25,586 66	90,080 00	58,240 00	28,894 23	352,561 21	20.76	14.76
1888.....	95,237 68	27,959 20	23,080 69	100,890 00	66,400 00	20,052 20	333,659 77	29.65	18.76
Increase in 1888.....	.....	.....	.....	.....	.....	.....	.....	08.76	.....
Decrease in 1888.....	45,387 90	18,874 45	2,506 97	10,800 00	8,160 00	8,842 02	18,901 44	.....	.....

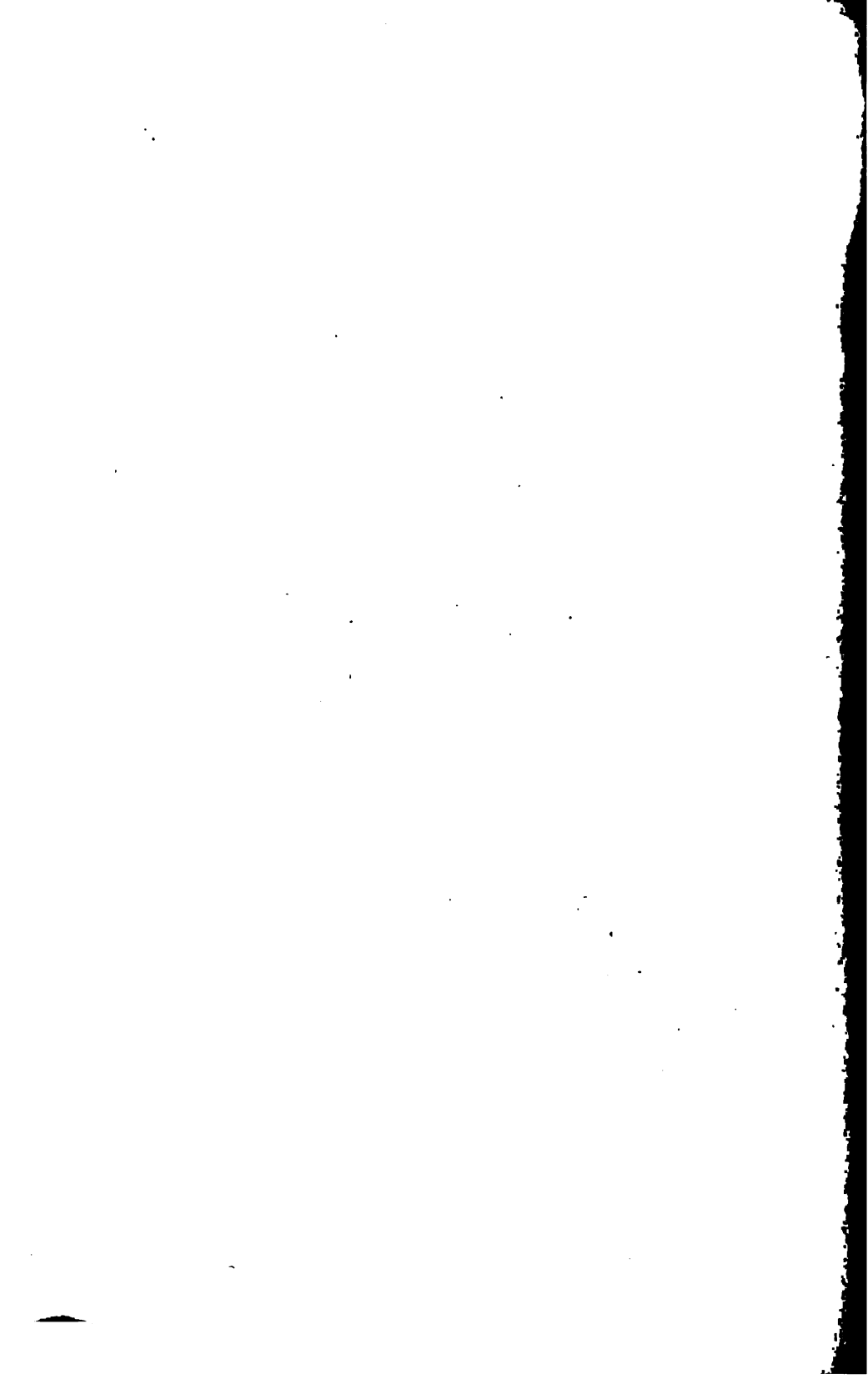
K — Mileage of Cars and Details of Mileage, 1887 and 1888.

	1887.	1888	INCREASE.	DECREASE.	PER CENT.
Miles run by C. & A. Sleeping Cars on C. & A. R. R.....	1,244,074	1,537,308	293,229	.....	23.57%
Miles run by Foreign Sleeping Cars on C. & A. R. R.	256,875	312,733	55,858	.....	21.74%
Miles run by Dining Cars on C. & A. R. R.	209,268	213,592	4,324	.....	02.06%
Miles run by C. & A. Coaches on C. & A. R. R.	5,779,986	5,830,313	50,327	.....	00.87%
Miles run by C. & A. Coaches on Foreign Roads.....	57,811	62,195	4,384	.....	07.59%
Miles run by Foreign Coaches on C. & A. R.	104,309	74,764	.....	29,545	28.33%
Miles run by Pay Car.	36,265	29,696	.....	6,569	18.14%
Miles run by C. & A. Mail, Express and Postal Cars on C. & A. R. R.	2,643,362	2,744,896	101,534	.....	03.80%
Miles run by Foreign Baggage, Mail and Ex. Cars on C. & A. R. R.	7,152	4,882	.....	2,270	31.44%
Number of C. & A. R. R. Cars hauled Loaded, in Regular Service	665,010	553,826	.....	111,184	16.70%
Mileage of C. & A. R. R. Cars hauled Loaded, in Regular Service.	37,375,623	31,906,187	.....	5,409,436	14.47%
Number of C. & A. R. R. Cars hauled Empty, in Regular Service.	311,005	304,686	.....	6,319	02.03%
Mileage of C. & A. R. R. Cars hauled Empty, in Regular Service.	15,940,264	16,301,750	361,486	.....	02.26%
Number of C. & A. R. R. Cars hauled Loaded, in Construction Trains	78,019	66,688	.....	11,351	14.54%
Mileage of C. & A. R. R. Cars hauled Loaded, in Construction Trains	2,156,452	2,048,540	.....	107,912	05.00%
Number of C. & A. R. R. Cars hauled Empty, in Construction Trains	84,981	69,552	.....	15,429	18.15%
Mileage of C. & A. R. R. Cars hauled Empty, in Construction Trains	2,252,194	2,135,418	.....	116,776	05.18%
Number of Foreign and Line Cars hauled Loaded.	314,384	257,751	.....	56,633	18.00%
Mileage of Foreign and Line Cars hauled Loaded.....	17,673,066	16,068,854	.....	1,604,212	09.07%
Number of Foreign and Line Cars hauled Empty.....	163,228	166,129	2,901	.....	01.77%
Mileage of Foreign and Line Cars hauled Empty.....	8,372,066	9,462,738	1,090,672	.....	13.02%
Whole Number of Loaded Cars hauled, in Regular Service.....	979,394	811,577	.....	167,817	17.13%
Mileage of Loaded Cars hauled, in Regular Service.....	55,048,689	48,036,041	.....	7,013,648	12.56%
Whole Number of Empty Cars hauled, in Regular Service.....	474,233	470,815	.....	3,418	00.72%
Mileage of Empty Cars hauled, in Regular Service.....	24,312,330	25,764,488	1,452,158	.....	05.99%

K — Mileage of Cars, etc. — (Continued.)

	1887.	1888.	INCREASE.	DECREASE.	PER CENT.
Whole Number of Cars hauled, in Regular Service, Loaded and Empty.....	1,453,627	1,282,392	.....	171,235	11.78%
Total Freight Mileage, Cars hauled, in Regular Service, Loaded and Empty.....	79,361,019	73,799,529	.....	5,561,490	07.08%
Per Cent. of whole Mileage, Loaded.....	69.86%	65.08%	.....	4.78%	06.70%
Per Cent. of whole Mileage, Empty.....	30.14%	34.91%	4.76%	.....	13.98%
Mileage of C. & A. Cars on Foreign Roads.....	27,061,236	25,062,827	.....	1,998,409	07.38%
Total Mileage of C. & A. Freight Cars.....	84,785,769	77,514,722	.....	7,271,047	08.51%
Average Revenue Tonnage of each Loaded Car hauled, in Regular Service.....	11.55%	11.11%	.....	.44%	04.55%
Average Revenue Tonnage of each Car hauled, in Regular Service, Loaded and Empty.....	8.95%	7.84%	.....	.11%	10.55%
Tonnage of Company's Freight not embraced in above figures....	292,644	264,468	.....	28,176	09.55%





TWENTY-SEVENTH ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

CHICAGO & ALTON

RAILROAD COMPANY,

FOR THE

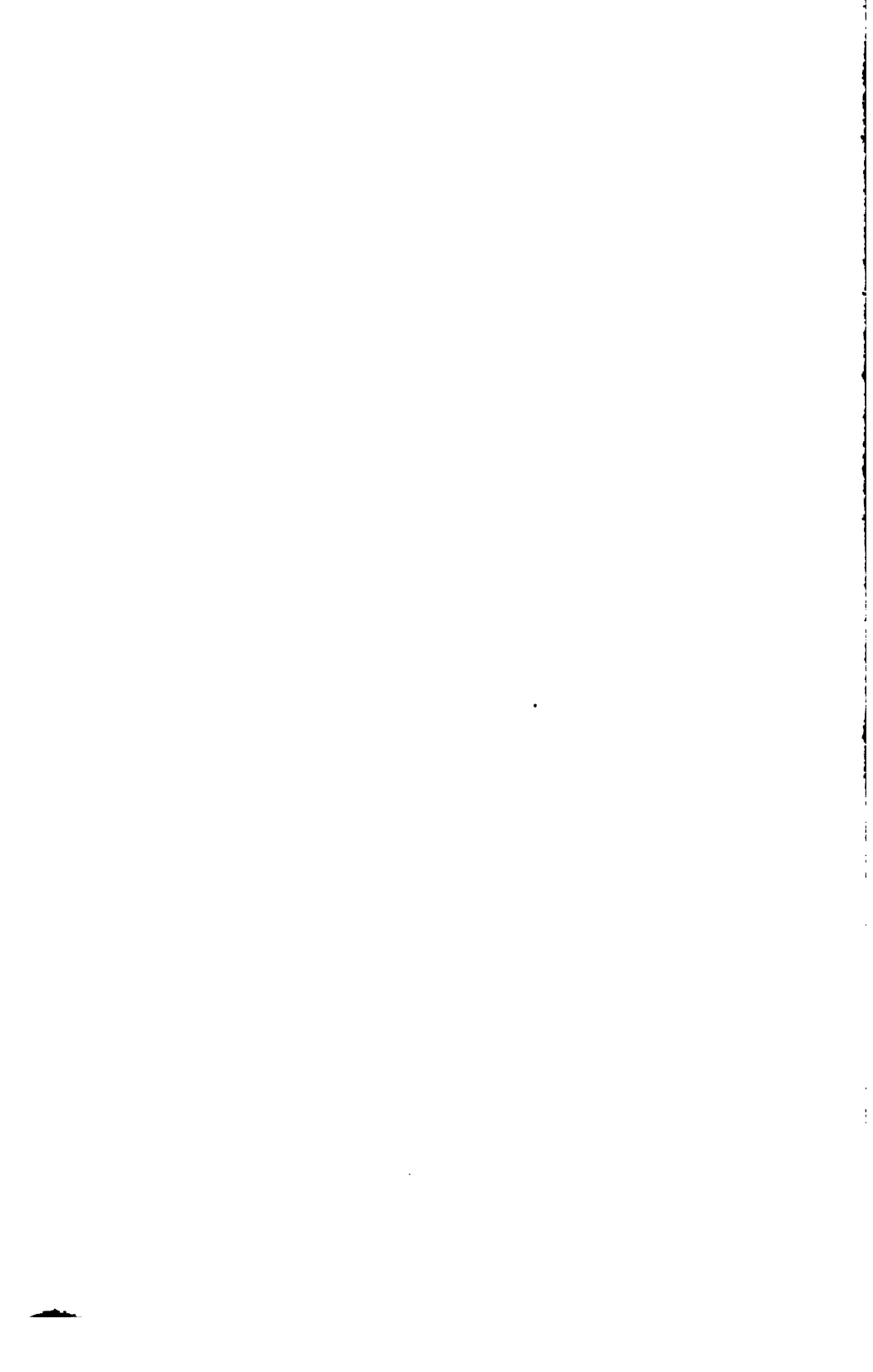
YEAR ENDING DECEMBER 31, 1889.

ISSUED FEBRUARY, 1890.

CHICAGO:

RAND, McNALLY & Co., PRINTERS, 108-154 MADISON ST.

1890.



TWENTY-SEVENTH ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

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FOR THE

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ISSUED FEBRUARY, 1890.

CHICAGO:

RAND, McNALLY & Co., PRINTERS, 148-154 MONROE ST.

1890.

DIRECTORS.

JAMES C. McMULLIN	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1890.
WILLIAM A. SLATER.....	NORWICH, CONN.	
ALBERT A. SPRAGUE	CHICAGO, ILL.	
JOHN J. MITCHELL.....	ST. LOUIS, MO.	} Term of Service Expires first Monday in April, 1891.
W. N. BLACKSTONE.....	NORWICH, CONN.	
(One vacancy.)		
T. B. BLACKSTONE.....	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1892.
JOHN B. DRAKE.....	CHICAGO, ILL.	
MORRIS K. JESUP.....	NEW YORK.	

OFFICERS.

T. B. BLACKSTONE.....	<i>President.</i>
J. C. McMULLIN.....	<i>Vice-President.</i>
CHARLES H. FOSTER.....	<i>Secretary and Treasurer.</i>
CHAUNCEY KELSEY.....	<i>Auditor.</i>
C. BECKWITH.....	<i>General Solicitor.</i>
CHARLES H. CHAPPELL....	<i>General Manager.</i>
T. M. BATES.....	<i>Superintendent of Transportation.</i>
J. H. WOOD.....	<i>General Manager's Assistant.</i>
H. H. COURTRIGHT.....	<i>General Freight Agent.</i>
JAMES CHARLTON.....	<i>General Passenger and Ticket Agent.</i>
K. F. BOOTH.....	<i>Chief Engineer.</i>
A. W. QUACKENBUSH.....	<i>Superintendent of Machinery and Cars.</i>
A. V. HARTWELL	<i>Purchasing Agent.</i>
A. M. RICHARDS.....	} <i>Division Superintendents.</i>
W. K. MORLEY	

DIRECTORS' TWENTY-SEVENTH ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company:

The Board of Directors submit the following Report for the year ending December 31, A. D. 1889:

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS		
Chicago to East St. Louis.....	280.70	74.24	107.79	462.73
Coal City Line.....	29.76	.....	9.80	39.56
Dwight to Washington and Lacon	79.80	.....	6.51	86.31
Roodhouse to Kansas City.....	250.42	1.17	62.30	313.89
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.....	158.00	.....	18.87	176.87
Mexico to Cedar City	50.00	.....	3.49	53.49
Total Miles	848.68	75.41	208.76	1,132.85

The total length of first main track has been reduced by a change of alignment between Pearl and Nebo three-tenths of a mile, and an equal length of second main track has been added near Kansas City. The total length of side tracks has been increased $2\frac{1}{10}$ miles during the last year.

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares.....	14,115,000 00

Total amount of Stock.....\$17,594,500 00

MORTGAGE BONDS AND OTHER OBLIGATIONS.

First Mortgage Chicago & Alton 7 per cent. Bonds, due January 1, 1898.....	\$2,883,000 00
St. Louis, Jacksonville & Chicago Railroad First Mort- gage 7 per cent. Bonds, due April 1, 1894, assumed by your Company.....	2,929,000 00
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Bonds, due July 1, 1898, assumed by your Company.....	280,000 00
Louisiana & Missouri River Railroad Company's First Mortgage 7 per cent. Bonds, due August 1, 1900, assumed by your Company in settlement of Accounts under Contract for Construction, dated July 5, A. D. 1870.....	439,100 00
Chicago & Alton Sinking Fund 6 per cent. Gold Bonds, due May 1, 1903.....	2,305,000 00
Consolidated Chicago & Alton 6 per cent. Sterling Bonds, due July 1, 1903—\$900,000, say.....	4,379,850 00
Mississippi River Bridge Company's First Mortgage Sink- ing Fund 6 per cent. Bonds, due October 1, 1912, assumed by your Company under terms of lease....	682,000 00

Total amount of Bonds.....\$18,297,950 00

Joliet and Chicago Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed,\$1,500,000 00	
Mississippi River Bridge Company's Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	300,000 00
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent. annual dividends are guaranteed,	1,750,000 00
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent. per annum, are contingent upon gross earnings....	271,700 00 3,821,700 00

Total.....\$34,714,150 00

The Louisiana & Missouri River Railroad is operated by your Company under a lease, which, by its terms, is to continue one thousand years from the first day of August, A. D. 1870. The lease provides that each year all taxes and assessments shall be deducted from the gross earnings of the road, and 35 per cent. of the remainder shall be the amount of rent for that year.

All lines of railway operated by your Company, except the one last referred to, its bridges over the Mississippi and Missouri Rivers, and other property pertaining to such lines, are owned by it subject to the several mortgages and other obligations above stated, although in some cases the property is held under perpetual lease, and the amount paid as rent is a fixed charge.

Four shares of the common stock of this Company have been issued during the year, in exchange for an equal number of shares of the common stock of the St. Louis, Jacksonville & Chicago Railroad Company, pursuant to the agreement between that Company and the Chicago & Alton Railroad Company, dated April 14, 1884. All such shares have now been exchanged except fifteen, which have not yet been presented.

Twenty-six Thousand Dollars of the 6 per cent. Sinking Fund Gold Bonds of your Company were canceled, and Seventy-four Thousand Eight Hundred and Sixty Dollars in cash were deposited with the United States Trust Company on account of such Sinking Fund Bonds during the last year, and Twelve Thousand Dollars of the Bonds of the Mississippi River Bridge Company have been redeemed and canceled, on account of Sinking Fund during the year.

REVENUE.

The Gross Earnings from Traffic, and Interest on temporary investments of surplus, during the last year were	\$7,790,491 17
The Total Disbursements during the same period for Operating Expenses, Taxes, Rent of Leased Lines, Interest on Bonds, and Dividends were.....	7,472,420 87
Balance	\$ 318,070 30

INCOME ACCOUNT.

By Balance December 31, 1888.....	\$2,595,689 04
By Interest on Bonds, Dividends on Stocks owned by your Company, and Sundry Receipts.....	278,874 78
By Gross Receipts from Traffic.....	7,516,616 44
	<u>\$10,386,180 21</u>

DISBURSEMENTS.

Interest on Funded Debt.....	\$ 823,494 98
Dividends	1,407,712 00
Rent paid Joliet & Chicago R. R. Co.	106,000 00
“ “ Louisiana & Missouri River R. R. Co.....	156,486 54
“ “ Kansas City, St. Louis & Chicago R. R. Co.	385,991 36
“ “ Mississippi River Bridge Co.....	71,000 00
Paid for Sinking Fund Bonds purchased.....	31,990 00
Paid and appropriated from this Account for Additional Property, Cars, Real Estate, New Buildings and New Tracks.....	159,809 54
Sundry Accounts charged off.....	6,069 68
Operating Expenses, including Taxes	4,571,735 99
	<u>7,670,290 09</u>
Balance, December 31, 1889.....	\$2,715,890 12

The credit balance of the Income Account, as shown above, was increased, during the year, \$120,201.08. The amount appropriated for Real Estate, New Tracks, New Cars, and other additional property charged in that account, is \$159,809.54. Had no additional property been purchased, the balance referred to would have been increased \$280,010.62.

The following Tabular Statements show Earnings and Expenses in 1889, compared with Earnings and Expenses in 1888:

GROSS EARNINGS.

PER CENT.	1888.		1889.	PER CENT.
29.51%	\$2,321,004 79	From Passengers	\$2,218,702 90	29.51%
65.78%	4,901,247 96	" Freight.....	4,932,296 83	65.78%
02.78%	172,481 89	" Express.....	172,150 00	02.78%
02.78%	157,791 87	" Mails.....	159,699 69	02.78%
00.78%	58,988 88	" Miscellaneous	33,767 02	00.78%
	\$7,511,465 19	.....Total Earnings.....	\$7,516,616 44	

The Gross Earnings from Traffic in 1889, compared with those of 1888, were as follows:

	INCREASE.	DECREASE.	PER CENT.
From Passenger Traffic		\$ 2,801 89	0.10%
" Freight "	\$ 31,048 87		0.33%
" Express "		381 89	0.13%
" Mail "	1,908 02		1.30%
" Miscellaneous Sources		25,171 86	49.70%

The increase in Gross Earnings in 1889, compared with those of the preceding year is \$5,151.25 or 0.06% per cent.

OPERATING EXPENSES.

PER CENT.	1888.		1889.	PER CENT.
34.84%	\$1,681,072 61	For Conducting Transportation	\$1,680,786 45	33.45%
29.80%	1,391,091 03	" Motive Power.....	1,358,175 99	29.79%
26.78%	1,235,216 94	" Maintenance of Way.....	1,163,157 92	25.70%
08.78%	410,703 87	" Maintenance of Cars.....	519,665 63	11.10%
	\$4,668,084 45	.....Total.....	\$4,571,785 99	

The expenditures for operating and maintaining your railroad, compared with those of the preceding year, were as follows :

	INCREASE.	DECREASE.	PER CENT.
For Conducting Transportation		\$100,836 16	06 $\frac{153}{1000}$
" Motive Power.....		32,915 04	02 $\frac{88}{1000}$
" Maintenance of Way.....		72,059 02	05 $\frac{88}{1000}$
" Maintenance of Cars.....	\$103,961 76		26 $\frac{82}{1000}$

Decreased expenditures, as above, compared with those of preceding year, \$96,348.46, or 2 $\frac{964}{1000}$ per cent.

ANALYSES OF OPERATING EXPENSES, EXCLUDING TAXES.

Per Cent.	1888.		1889.	Per Cent.
65 $\frac{29}{100}$	\$3,864,134 65	Paid for Labor and Personal Services.....	\$2,772,962 24	64 $\frac{108}{1000}$
29 $\frac{10}{100}$	1,302,090 64	Paid for Stores	1,314,607 18	30 $\frac{166}{1000}$
05 $\frac{10}{100}$	239,860 79	Insurance, Rents, Miscellaneous Expenses..	234,989 91	05 $\frac{106}{1000}$
	\$4,406,086 08	Total.....	\$4,322,559 33	

The average number of men employed, including improvements, was, in 1888, four thousand six hundred and sixty-three, and in 1889, four thousand one hundred and seventy-one.

SUMMARY OF EARNINGS AND EXPENSES.

1888.		1889.
\$7,511,465 19	..... Earnings from all Sources	\$7,516,616 44
4,668,034 45	..... Operating Expenses.....	4,571,735 99
2,843,380 74	..... Net Earnings.....	2,944,880 45
62 $\frac{149}{1000}$	.. Operating Expenses per cent. of Gross Earnings..	60 $\frac{822}{1000}$
Increase in Gross Earnings.....		\$ 5,151 25
Decrease in Operating Expenses.....		96,348 46
Increase in Net Earnings.....		\$101,499 71

The increase in Net Earnings in 1889, compared with Net Earnings in 1888, is 3 $\frac{562}{1000}$ per cent.

EARNINGS PER MILE.

1888.		1889.
\$8,847 68	.....Gross Earnings per mile of Road.....	\$8,856 84
5,498 46	.....Operating Expenses per mile of Road.....	5,886 87
\$3,349 17	.....Net Earnings per mile of Road.....	\$3,469 97

TOTAL GROSS EARNINGS FROM FARM PRODUCTS SHIPPED AT LOCAL STATIONS.

Years.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois.	Gross Earnings on Shipments of Farm Products from Local Stations in Missouri.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois and Missouri.	Per Cent. of Gross Earnings on Freight Traffic.	Per Cent. of Gross Earnings on all Traffic.
1881	\$799,824 00	\$301,662 00	\$1,100,986 00	19.84%	14.58%
1882	768,818 00	397,424 00	1,166,237 00	19.80%	14.19%
1883	576,792 90	455,039 32	1,081,832 22	16.85%	11.70%
1884	528,614 67	340,656 49	869,271 16	14.81%	9.98%
1885	599,919 83	282,372 50	882,292 33	16.21%	11.02%
1886	710,747 97	307,541 89	1,018,289 86	18.88%	12.82%
1887	712,440 85	352,561 21	1,065,002 06	17.54%	11.81%
1888	769,141 38	338,659 77	1,102,801 15	22.50%	14.89%
1889	855,372 95	390,045 56	1,245,418 51	25.78%	16.86%
Increase in 1889 over 1888	\$86,231 57	\$56,385 79	\$142,617 36	2.78%	1.89%

A fraction more than one-fourth of the Gross Earnings from Freight Traffic during the last year was derived from the transportation of Farm Products shipped at Local Stations.

The average yearly Gross Earnings from such shipments compared with the Gross Earnings from Traffic of all kinds during the last nine years is found to be 13.83% per cent. The percentage in 1889 is about 3½ per cent. more than the average for the period of nine years.

Statements in detail, of which the foregoing is a summary, will be found in the Appendix to this report.

The increase during the last year in Gross Earnings from transportation of Farm Products is mainly due to an increased amount of Wheat and Corn shipped during that year, compared with such shipments in 1888. The amount of Wheat was 16 per cent., and the amount of Corn 65 per cent. greater than in 1888. Shipments of Corn last year were however only 10 per cent. greater than the average of the last seven years.

Your rolling stock consists of two hundred and twenty-eight Locomotives, one hundred and fifty-three Cars for use in Passenger Trains, including twenty-two Pullman Sleeping Cars, and seven thousand five hundred and forty-eight Freight Cars.

PERMANENT WAY.

All main tracks on main lines, all main tracks on branch lines—except $6\frac{8}{100}$ miles—and $54\frac{8}{100}$ miles of side tracks are laid with steel rails, nearly all of which are 70 lbs to the yard.

During the last year three miles of track were ballasted with rock, and $10\frac{8}{100}$ miles with cinders. You have now eight hundred and six miles of well ballasted track, and $42\frac{8}{100}$ miles of track partly ballasted. The latter being nearly all on the Cedar City Branch, where the traffic is light.

The work of improving grades and curves, to which reference has been made in previous reports, has been continued.

On two sections of your line between Roodhouse and Louisiana, for an aggregate distance of about twelve and one-half miles, a new location has been adopted and the work of construction is now completed. Nearly \$400,000 has been expended on that work, from an appropriation made for that purpose in 1887.

On the new line the maximum grade is about forty feet per mile, with easy curves, in place of maximum grades of greater length, at the rate of sixty-four feet per mile, with curves of short radius. The new line is three-tenths of a mile shorter than the old one. This improvement obviates the necessity of "helping engines" on that part of your railroad and reduces operating expenses.

Your railroad and all its appurtenances have been maintained in good condition, and many improvements, not specifically referred to, have been made during the last year, and the cost of such improvements was charged to operating expenses.

For the efficient services rendered by your Officers in the several departments, and all persons employed under their direction, our acknowledgments are due.

Your attention is invited to the Tabular Statements and Accounts which will be found in the Appendix to this report.

GENERAL REMARKS.

The policy of the State and National Governments in the matter of constructing and operating railroads, to which we have before called your attention, has been continued since the date of our last Annual Report substantially unchanged.

The principal agencies employed by the States for the last twenty years are Railroad Commissioners, who are required from time to time to fix reduced maximum rates, and speculating contractors, who have been, and are now, authorized to construct railroads where they are not needed, and where such roads can not possibly obtain traffic enough to support them. The object of the Government appears to be to divide traffic between the older lines and those more recently constructed, and by the resulting excessive competition to reduce rates for transportation.

The building of such railroads has caused the loss of many millions of dollars of capital invested by the shareholders of the older railroads, which were built when and where they were needed by the people, and not for speculative purposes.

The remarkable course which the Government has pursued in causing competing railroads to be constructed, and by imposing what appears to us to be, in some cases, unnecessary restrictions upon railway managers, can not be too often referred to, while it remains unchanged. We believe the people have pursued a mistaken policy, and that without much consideration as to the ultimate effect of their course they have been led on, step by step, until great injustice has been done, and is now being done, in their name. We believe, also, that the people are manly enough to consider what we may say in the friendly spirit in which it is offered, although the record to which we may call their attention is not in all respects such as we can refer to with pleasure.

It has been suggested that the object of the State Governments in causing competing railroads to be constructed, has been to secure *reasonable* rates for transportation. But a moment's consideration must convince any person that the building of new railroads can not be accounted for on that theory. No railroad company has ever claimed the right to charge unreasonable rates, and in all cases of difference as to what is a reasonable rate the Government would, in the trial of such questions before juries, have great advantage over a railroad company, by reason of the popular prejudice against such companies, without reversing the common rule of evidence, and requiring them, as is now done, to prove their innocence of the charges made against them. The Government can command all evidence that is accessible to the railroad company, and in that regard the

company does not have such advantage as it has sometimes been supposed to have. It can not be reasonably claimed that the object of the Government is to *reduce the actual cost* of transportation, for it is evident to all that the effect of competing lines (except under conditions which do not exist in this country) *is necessarily increased actual cost*.

For about two years the General Government has co-operated with the State Governments by the employment of Commissioners under the Act to Regulate Commerce.

One of the principal features of that Act is a prohibition of all agreements between railroad companies under which such companies may peaceably share the benefit of competitive traffic. That Congress did not intend, when passing the "Act to Regulate Commerce," to afford protection to railroad companies against excessive competition, or to give them the right to insist that all charges *shall be reasonable*, and thereby afford to them, as well as the people, the equal protection of the laws, is evident from a careful reading of the Act; but lest that may be doubted, we will call your attention to the following words used by Judge Cooley, speaking for the Inter-State Commerce Commission, in rendering a decision in the matter of the Chicago, Saint Paul & Kansas City Railroad Company, in which that company claimed that it should have the right to make such through rates as it might find necessary to meet competition, without being compelled to scale down its rates on local traffic so as to make such rates in fact unreasonably low.

(Commissioners' Report for 1888) to-wit:

"The provision in the first section of the Act to Regulate Commerce, that, 'all charges made for any service rendered, or to be rendered, in the transportation of passengers or property, or in connection therewith, or for the receiving, delivering, storage, or handling of such property, shall be reasonable and just, and every unjust and unreasonable charge for such service is prohibited, and declared to be unlawful,' does not render rates that are *unreasonably low* illegal in a sense that will authorize the Commission to prohibit their being made.

"The Commission has no power to order rates increased upon the ground that they are so low that persistence in making them would be ruinous.

"Congress, in the provision above recited regarding rates, was legislating for the protection of the general public, and not for the protection of the carriers against the unreasonable action of their own officers, or against excessive competition."

Evidently those who rule over us intend to promote perpetual and ruinous strife between railroads; but what good results are expected to be produced thereby is beyond our comprehension.

Possibly some light may be thrown upon the railroad problem by referring to the salient features of the railroad history of this country, to which we invite your attention.

In 1837, Illinois in its corporate capacity undertook to construct about 1,300 miles of railroad, located so as to provide for railroad transportation in nearly every county in the State, except such counties as were to be provided with improved river and canal navigation. In the counties in which no such improvement was to be located, \$200,000 in cash was distributed by the State.

Work was commenced simultaneously on each of the proposed railroads at their termini, and at points where they were to cross navigable rivers. About the same time, the improvement of the navigation of the Kaskaskia, Illinois, Great and Little Wabash, and Rock rivers, and the construction of the Illinois and Michigan Canal was also commenced.

These several works were prosecuted until \$14,237,348 had been expended, when the credit of the State had become exhausted, and all such work was discontinued. No part of the railroad system had been fully completed. But the road between Springfield and the Illinois River was so nearly completed that for several years it was used for traffic by substituting mules in place of locomotives.

In 1826, the General Government donated about 300,000 acres of land to the State of Illinois to aid in the construction of the Illinois and Michigan Canal, and when the State became unable to borrow money on its credit without collateral security, it borrowed a sufficient sum to complete the canal by conveying these lands to trustees as security for the repayment of the loan. The river improvements were never completed.

Illinois, with a population of only 478,929 according to the State census of 1840, struggled for a long time under the burden of its heavy debt, on which it was unable, for several years, to pay the accruing interest. Its bonds were at one time worth in the market only 14 cents on the dollar, and many of its active politicians advocated repudiation. It is but just, however, to say that a majority of both political parties refused to entertain such suggestions.

After about ten years of bankruptcy, in which very little progress was made in the settlement and improvement of the State, with a well-founded conviction that the construction of railroads was absolutely necessary to restore its credit and to promote the prosperity of its inhabitants, and having learned by experience that such roads could not be constructed by it without the aid of private capital, it resolved to seek such aid.

The State then entered into contract (by special charter) with several railroad corporations for the construction of such railroads as were needed for its development.

Each railroad corporation undertook to provide the necessary capital and to construct a railroad between certain designated points. The consideration for which it undertook to build and operate the roads was the right to charge and collect such reasonable compensation for transporting persons and property over them as it might by its officers decide to be proper; subject, of course, to common-law rules, which prohibit unjust discrimination.

After such contracts had been made, and the work of constructing railroads had been commenced pursuant to their terms, the financial credit of the State rapidly improved. The value of its lands and other property increased with wonderful rapidity.

In all its agreements with contractors, the State had strictly kept faith with them, and when compelled to abandon the works we have referred to, it made settlements with them in full, to their entire satisfaction; but in doing so, it in some cases delivered to them its bonds instead of cash. Such deliveries were, however, made pursuant to amended contracts, which called for such payments, and, although then worth only 75 cents on the dollar, the bonds were, by reason of the reduced cost of the work, at that time a satisfactory compensation for it.

About 1854, when the construction of the railroads under the special charters referred to had, in some cases, been completed, and in others was still in progress, and thereby confidence in the development of the resources and credit of the State had become restored, the contractors whom the State had employed on its works, with whom it had years before made final settlement, presented claims based upon losses they had sustained after such settlements, by reason of having been under the necessity of selling the bonds which the State had delivered to them at a time when they were worth less on the market than when they had received them; or, in other words, they claimed that they had suffered loss by reason of the State having failed to maintain its credit as high as it was when they finally settled with it for the work they had done. No one pretended that the State was under any legal obligation to recognize such claims; but the claims were recognized, and many thousands of dollars were paid to the contractors, and to the heirs of such of them as were then dead.

In view of the course which the State has since pursued toward the corporations which constructed the older roads to which we have referred, we take pleasure in calling attention to the honorable conduct of the State of Illinois at that period. Whatever may be thought of its subsequent treatment of corporations which were instrumental in its resurrection from bankruptcy, we think there can be no doubt about its having entered into contracts with such corporations as yours, for example, in good faith, and that it did not entertain a "mental reservation" when it stated in your

charter that your company should have authority to "fix the rates of toll in the transportation of freight and passengers over its railroad." We think it may also be fairly inferred (although the charter is silent on that point) that it did not then contemplate causing the financial ruin of railroads by authorizing the construction of a greater number of competing roads than can be supported.

Although none of the members of our Board are learned in the law, we nevertheless desire to call your attention to some of the most important decisions by State and Federal Courts in railroad cases. We can not, within our limits, quote them in full, as we would prefer to do; we can only quote as much of them as, we trust, will fairly present their salient points touching the authority of railroad corporations to fix rates for transportation, and the authority of State Legislatures to fix such rates.

Such comment as we may make thereon, we trust will not be considered as a manifestation of a lack of proper respect for the learned and honorable judges by whom such decisions have been made. We speak from the stand-point of laymen, and the great majority of those we address are laymen. What we may say will doubtless be estimated at its actual value, if it has any value.

Whether we believe the laws have been fairly interpreted or not, is a matter of no consequence. Whether, in the light of the interpretation which has been given to them, the laws now in force are just or not, is a matter of great importance to you and many other railroad shareholders.

One of the earliest legislative acts on the subject of regulating charges for transportation on railroads was that of Illinois which was in force July 1, 1871. Under that act, proceedings were had, upon an information, in the nature of a *quo warranto*, filed in the Circuit Court in McLean County, by the Railroad Commissioners of the State. It was shown that the Chicago & Alton Railroad Company had charged 65 cents more per 1,000 feet for transporting lumber from Chicago to Lexington, 110 miles, than it had at the same time charged from Chicago to Bloomington, 126 miles. The place last named was a competing point; at Lexington there was no competition. This was held to be a violation of the law, and a judgment of ouster was entered.

An appeal was taken to the Supreme Court of the State, and the decision was reversed. That court held the law in some of its provisions to be unconstitutional, and advised the Legislature as to the amendments it should make, if the State still desired to practically make rates for railroad transportation without technically violating its agreements which grant that right to the railroad companies.

In the opinion of the Supreme Court in the case we have referred to, it is intimated that to forfeit franchises, thereby enforcing a penalty of

millions of dollars "upon an arbitrary and conclusive presumption of "guilt, to be drawn from an act that might be shown to be perfectly "innocent," if the railroad company had been permitted to explain the reason for it, was rather harsh treatment.

We refer to this law and this decision under it, for the purpose of showing the feeling of hostility toward railroads when the law was enacted in 1871. Such hostility had then been manifested for a short time only. For many years before, the right to fix rates within reasonable limits, in accordance with the terms of special charters, had been exercised by railroad corporations and had not been questioned.

Since about 1870, hostility to railroad corporations has been continued in the Western States without intermission.

The Legislature of Illinois, by an Act approved May 2, 1873, made it the duty of the Railroad Commissioners of this State to prepare schedules of reasonable rates for transportation over each railroad in the State, and to alter the same, from time to time, at their discretion. In accordance with the advice of the Supreme Court, which we have before referred to, this Act declares that rates so made by the Commissioners shall be held by all courts in the State to be "*prima facie* reasonable." This method of limiting rates, while technically permitting the corporations to make them, has since been generally resorted to in other States.

Soon after the States decided to reduce rates by the agency of Railroad Commissioners—practically disregarding chartered rights—it became necessary for them to procure affirmative action by the Supreme Court of the United States.

In an opinion by Mr. Justice Harlan of that Court, in *Ruggles vs. Illinois*, 108 U. S., 526, decided May 7, 1883, he refers to the decisions of the United States Court in the cases of *Munn vs. Illinois*, 94 U. S., 113; *Chicago, Burlington & Quincy Railroad Company vs. Iowa*, 94 U. S., 155; *Peik vs. Chicago & North-Western Railway Company*, 94 U. S., 164; and *Winona & St. Peter Railroad Company vs. Blake*, 94 U. S., 180; the four cases last referred to having been decided in October, 1876. He says, "these cases established, among others, these principles:

" 1st. That the charter of a railroad corporation is a contract within the "meaning of the contract clause of the federal constitution.

" 2d. That such corporation may be protected by its charter against "absolute legislative control in the matter of rates for the carriage of passengers and freight.

" 3d. That when the charter is granted subject to such regulations, as "the Legislature from time to time may provide, or subject to the authority "of the Legislature to alter or repeal it, in either of such cases the Legisla-

"ture has the same power over rates or tolls that it had when the charter was granted.

"4th. In the absence of statutory regulations upon the subject, it is necessarily implied from the occupation of a railroad corporation that it shall exact only reasonable compensation for carriage."

If these principles could be applied and enforced in accordance with the views expressed in the dissenting opinions, which have been from time to time filed by a minority of the justices of the Supreme Court of the United States, we believe there would be no cause for complaint, that the law so far as it relates to the operation of railroads is unjust.

But a majority of that Court have decided otherwise on points of great importance, and especially on the question of the power of States to revoke their grants in the matter of fixing rates, when that power had not been in the most positive terms reserved by constitution or statute when such charters were granted.

It will be noted that Mr. Justice Harlan says, that the Supreme Court of the United States has decided that a corporation *may* be protected by its charter against absolute control in the matter of rates. In view of the fact that in all railroad cases which have been tried before that Court such protection has been refused, and that in the case of *Peik vs. Chicago & North-Western Railway Company*, Mr. Chief Justice Waite in delivering the opinion of a majority of the Court said:

"Where property has been clothed with a public interest, the Legislature may fix a limit to that which shall in law be reasonable for its use. *This binds the courts as well as the people. If it has been improperly fixed, the Legislature, not the courts, must be applied to for the change.*" We see but little ground for hope that the power which it *may* exercise will ever be exercised in such cases.

In the case of *Ruggles vs. Illinois*, the Chicago, Burlington & Quincy Railroad Company claimed the right to fix rates under the provisions of its charter. In delivering the opinion of the Court, Mr. Chief Justice Waite (speaking for a majority of the Court) says: "The special provision on which the claim of a contract is predicated, is as follows: The Board of Directors shall have power to establish such rates of toll for the conveyance of persons or property upon the same, as they shall from time to time by their by-laws determine, and to levy and collect the same for the use of the company.

"This is the form in which the power to charge and collect compensation for the carriage of persons and property was granted by the amended charter. The rates must be fixed by the by-laws; and no by-law can be made that is at all repugnant to the laws of the State."

From this decision, it would therefore appear, that when a State

Legislature enacts a law fixing rates, it thereby practically abrogates its contracts embodied in special charters, in terms like those above quoted, and the company with which the State has made such a contract, can no longer exercise its discretion within reasonable limits in fixing rates; but must be governed absolutely by the rates the State Legislature has enacted. A State may undoubtedly fix rates for railroad transportation regardless of special charters, if it has reserved the right to do so.

In the case under consideration, and in other cases which the Supreme Court has decided in the same way, it has not been claimed that such right had been reserved when such charters were granted, except under the common law.

We do not presume to question the logic or great learning of Chief Justice Waite, or any other member of that Court. But the Chief Justice has said in the case of *Munn vs. Illinois*: "That the great office of statutes is to remedy defects in the common law as they are developed, and to adapt it to the changes of time and circumstances."

That Court has repeatedly held that under the common law, a railroad company would have authority to make a reasonable charge for transportation subject to legislative limitation, if its charter was silent as to such authority. If we are correctly informed, no one denies that such is the common law.

This leads us to inquire, in view of the decision by a majority of the learned justices, why have such provisions as the one quoted, been incorporated in special charters?

We know of our own knowledge why the applicants for such charters in several cases petitioned in express terms for the right to make rates subject only to the common law as to reasonable limits, and not subject to future legislation; we know also of our own knowledge that this reason was plainly stated and freely discussed by members of the Legislature when special charters were granted in compliance with such petitions.

May it not be fairly presumed that the Legislature of Illinois, for example, had knowledge of the common law, and intended, by special statutes, to "remedy one of its defects," a "defect" which, if not remedied, would certainly have prevented the building of the older railroads in this State by private capital, when, without such capital, they could not have been built?

If we correctly understand the decisions of the Supreme Court of the United States, sections in charters which grant, in plain terms, the power to fix rates are meaningless. But it may be said that the provision for making rates "by their by-laws," in the case referred to, was fatally defective, and that the learned justices simply gave a legal interpretation to language unfortunately chosen. We will, therefore, refer to another.

case, of which it can not be said the grant of the right to fix rates was in doubtful terms.

In the case of *Stone and others vs. Farmers' Loan & Trust Co.*, 116 U. S., 307, decided in October, 1885, it was claimed that the corporation had authority to charge for transportation, within reasonable limits, and that such authority was granted by its charter, in the following words: "The President and Directors be and they are hereby authorized to adopt and establish such a tariff of charges for the transportation of persons and property as they may think proper, and the same to alter and change at pleasure." Mr. Chief Justice Waite (speaking for a majority of the Court) delivered a very long opinion in this case, in which several points are decided; as to the right of the corporation to fix reasonable charges, the following words used by him appear to fairly express his opinion: "The right to fix reasonable charges has been granted, but the power of declaring what shall be deemed reasonable has not been surrendered. If there had been an intention of surrendering this power, it would have been easy to say so; not having said so, the conclusive presumption is, there was no such intention." This decision places the State in a position that reminds us of an agreement between the largest boy and the smallest, in a certain country school. The little fellow was to carry the big boy's books for him, until the end of the term, in consideration of a certain number of marbles, which the big boy gave him at the time the agreement was made. The books were carried daily, according to contract, until nearly the end of the term, when the big boy demanded the return of the marbles, with a very emphatic intimation that if they were not promptly delivered to him the little fellow would receive a thrashing. The small boy said: "That's not fair; you gave me the marbles, and I have carried your books for you." The reply was, "Yes, you have carried my books, and I will see that you continue to carry them until the end of the term, according to the agreement. I don't care if I did give you the marbles, I did not say *for keeps*."

Mr. Justice Field and Mr. Justice Harlan filed dissenting opinions, stated at considerable length, which apply in the cases of *Stone vs. Farmers' Loan & Trust Company*, and *Stone vs. Illinois Central Railroad Company*, these cases having been decided by the United States Supreme Court at the same term, October, 1885.

Referring to the Mississippi Statute of 1884, which provides for Commissioners, and invests them with the power of establishing rates. Mr. Justice Harlan says: "I am of the opinion that this statute impairs the obligation of the contract which the State made with these companies, in this, that it takes from each of them the power conferred by its charter of fixing and regulating rates for transportation within the limits of

“reasonableness, and confers upon a Commission, authority to establish, “from time to time, such rates as will give a fair and just return on the “value of such railroad, its appurtenances and equipments, and as experience and business operation may show to be just. In short, the companies are placed by the statute in, the same condition as they would “occupy if their charter had not conferred upon them the power to fix and “regulate rates for transportation. The whole subject of rates is thus “remitted to the judgment of Commissioners who have no pecuniary interest whatever in the management of these vast properties, and who, if they “had any such interest, would be disqualified under the statute from serving; and who are required to fix rates according to the value of the property without any reference to what it originally cost, or what it has cost “to maintain it in fit condition for public use.

“It is hardly necessary to discuss the proposition that the right to fix “and regulate rates for transportation within the limits of reasonableness, “was and is one of great practical value to those companies; for the rates “so fixed would have governed the conduct of parties interested in them “unless it was made to appear, affirmatively, and in some legal mode that “they were unreasonable. * * * * * Does anyone believe “that private capitalists would have supplied the money necessary to “establish and maintain these lines of inter-state communication had they “supposed that the States through which the roads were extended reserved “the right, by Commissioners, to take charge of the whole matter of rates “and abrogate at their pleasure such tariffs of charges as might be established by the companies under the power expressly conferred, of fixing “and regulating rates? Would they have risked the immense sums “invested in these enterprises had the charter of the companies contained “a provision making rates to depend, not on the capabilities, wants, and “interests of the territory to be supplied with railroad service, or on the “amount expended in constructing and maintaining these roads, but on “their ‘value’ as estimated by Commissioners, and on such basis as the “latter, from time to time, might deem to be justified by experience and “business operations? Their value on what basis, or at what period of “their existence? When they were constructed? Or what they would “bring at a sale under a decree of the Court? In the place of charter provisions, under which rates fixed by the companies would be deemed legal, “until the contrary was made to appear, the statute substitutes a system “under which rates established by a Commission, and by it increased or “diminished, from time to time, must be observed by the companies, unless “it is made to appear, affirmatively, that such rates are unjust. Officers “and agents of the companies acting in conformity with express provisions “of their charters, being made liable to heavy penalties, unless they prove

"that the Commission have established an 'unjust' tariff of charges. * *
 " * * If I do not misapprehend the effect of the opinion it means to declare
 " that when the tariff of charges fixed by the Commissioners does not cer-
 " tainly work destruction or confiscation of these properties, or amount in
 " law to taking them for public use, without just compensation, the charges
 " so established must be accepted by the courts as well as by the com-
 " panies, as reasonable and therefore not to be treated as 'unjust' in any
 " prosecution under the act for disregarding such tariffs. I can not other-
 " wise interpret the observation that the Legislature may establish a maxi-
 " mum, and a charge in excess of which must be deemed by the courts and
 " the parties to be unreasonable.

"In expressing the foregoing views I would not be understood as
 " denying the power of the State to establish a railroad commission, or to
 " enforce regulations not inconsistent with the essential charter rights of
 " the companies, in reference to the general conduct of their merely local
 " business.

"My only purpose is to express the conviction that each of these
 " companies has a contract with the State whereby it is exempted from
 " absolute legislative control as to rates, and under which it may, through
 " its directors, from time to time, within the limit of reasonableness, estab-
 " lish such rates of toll for the transportation of persons and property as it
 " deems proper, such rates to be respected by the Courts and by the public,
 " unless they are shown affirmatively to be unreasonable."

Mr. Justice Field says: "I concur with Mr. Justice Harlan that the
 " act of Mississippi impairs the obligation of the contract contained in the
 " charter originally granted to the Mobile & Ohio Railroad Company by
 " Alabama and soon afterward adopted by Mississippi."

He then continues, and gives a very clear and interesting statement
 in support of his dissenting opinion. In all similar cases he has expressed
 the opinion that such contracts are lawful, and Mr. Justice Strong, in all
 such cases which were decided while he was a member of that Court, con-
 curred with Mr. Justice Field in that opinion.

Whether the concurrent opinion of the majority or that of the mi-
 nority of the Justices of the Supreme Court is correct appears to depend
 upon whether a certain principle of common law should, or should not, be
 applied to railroad corporations. Mr. Justice Waite says in *Munn vs.*
Illinois: "We find that when private property is affected with a public
 " interest, it ceases to be *juris privata* only. This was said by Lord Chief
 " Justice Hale more than two hundred years ago, * * * and
 " has been accepted, without objection, as an essential element of the
 " law of property ever since. Property does become clothed with a public
 " interest when used in a manner to make it of public consequence, and

"affect the community at large. When, therefore, one devotes his property to a use in which the public has an interest, he, in effect, grants to the public an interest in that use, and must submit to be controlled by the public for the common good, to the extent of the interest he has thus created. *He may withdraw his grant by discontinuing the use; but so long as he maintains the use he must submit to the control.*"

This principle of common law is referred to, in one way or another, in all the railroad cases subsequently decided by the Supreme Court of the United States which involve the question under consideration, and is evidently the basis of such decisions.

In a dissenting opinion in the case of *Munn vs. Illinois* (in which Mr. Justice Strong concurs), Mr. Justice Field quotes from Story, in *Wilkeson vs. Leland*, 2 Pet. 657, as follows: "That government can scarcely be deemed to be free where the rights of property are left solely dependent upon the will of a legislative body without any restraint." * * *

Mr. Justice Field says: "I deny the power of any legislature under our Government to fix the price one shall receive for his property of any kind. If the power can be exercised as to one article, it may be as to all articles, and the prices of everything, from a calico gown to a city mansion, may be the subject of legislative direction." In the dissenting opinions to which we have referred the learned Justices state many reasons why, in their judgment, the common law rule stated has been improperly applied.

They, however, do not refer to one fact which, in our judgment, is worthy of consideration. It is well known that prior to the building of railroads, common carriers on land employed in their vocation nothing more expensive than horses and wagons. It will be noted, as stated by Mr. Justice Waite, that the remedy such persons had—in case the price fixed pursuant to law for carriage was not satisfactory to them—was to "withdraw their grant," or, in other words, their horses and wagons, from the public service.

That could be done with little loss to them, for the reason that horses and wagons could be used for other purposes. He intimates that corporations who have expended millions of dollars in the construction of railroads now have a similar remedy, that is to say, they may withdraw their railroads from public use. Does any one suppose that the public would permit that to be done? If such permission was given, what use could the corporation make of its expensive embankments, excavations, bridges, and other parts of a railroad?

The learned Chief Justice makes another statement from which we think an inference may be reasonably drawn, which is in our opinion worthy of consideration.

He says the Act of Parliament regulating rates of charges was enacted in 1691, and repealed in 1827, and has not since been re-enacted.

The Stockton & Darlington Railroad, the first railroad constructed in England, was opened for traffic September 27th, 1825. Other railroads were constructed in England very soon thereafter, and since 1827 railroads have continued to take the place of horses and wagons in the transportation of persons and property by common carriers.

May it not be the fact that in England it was apparent that a law which could be complied with without great sacrifice by a common carrier using a wagon on a common road, could not reasonably be applied to the owner of a railroad, and for that reason the Act of Parliament referred to was repealed? This view of the matter is confirmed by English railroad acts, to which reference is hereinafter made.

In all judicial contests between the States and railroad corporations on the subject of the right claimed under special charters to make rates, the States have been victorious. The Supreme Court of the United States has decided in effect that a grant of the right to make reasonable rates, although clearly expressed and unlimited by its terms, must be construed as continuing subject to the pleasure of the State, unless the State has at the time of making the grant expressly declared that it will not revoke it.

A law has been enacted by State legislatures under which, in all cases involving the question of reasonableness of rates (if such rates exceed such as may have been made by State Commissioners), a railroad manager enters court in the position of an indicted criminal—but the parallel extends no further. The criminal who has stolen sheep must be held to be innocent until it has been proven beyond a doubt that he is guilty.

The Railroad Manager who may have honestly differed with Railroad Commissioners in estimating in a certain case what is a reasonable rate, must be held to be guilty unless he can prove beyond a doubt that the Commissioners have made a schedule of rates too low. The thief must be tried before an impartial jury. But the reversal of the common rule of evidence, together with the universal prejudice against Railroad Corporations, predetermines a verdict against the Railroad Manager in all trials of such cases before juries in the West.

Is not the holding of one class of persons to be guilty under conditions in which persons of all other classes are held to be innocent a "denial of the equal protection of the laws," and therefore a clear violation of the spirit, if not of the letter, of the Federal Constitution?

Is not such an unjust discrimination between persons repugnant to every honest and fair-minded man's convictions of right and justice?

The decisions of Federal and State Courts to which we have called your attention, and others of like character, suggest interesting questions.

One of the fundamental principles on which our National and State Governments are based, is expressed in the Constitution of one of the older States, by the following words, to-wit: "In the Government of this Commonwealth the Legislative Department shall never exercise the Executive and Judicial powers, or either of them; the Executive shall never exercise the Legislative and Judicial powers, or either of them; the Judicial shall never exercise the Legislative and Executive powers, or either of them; to the end it may be a Government of laws and not of men."

If we are correctly informed, substantially similar provisions may be found in the Constitution of the United States, and also in the several State Constitutions.

Should not the Common Law be held to be subject to such Constitutional provisions? Whether a certain charge for transportation is reasonable or unreasonable, would seem to us to be a Judicial question.

Mr. Justice Field has said, "In the absence of a contract for property or service, the law allows only a reasonable price or compensation; but what is a reasonable price in any case will depend upon a variety of considerations and is not a matter for Legislative determination."

In *Chicago, Burlington and Quincy vs. Iowa*, Mr. Chief Justice Waite (speaking for a majority of the Court) says: "The Burlington and Missouri Railroad Company (the benefit of whose charter the C., B. & Q. now claims) was organized under the General Law of Iowa, with power to contract in reference to its business the same as private individuals.
 " * * * * * This, in substance, is its charter, and to that extent it is protected as by a contract. In the absence of any Legislative regulation, the Courts must decide for it, as they do for private persons when controversies arise, what is reasonable."

If this question is a Judicial one, as Mr. Justice Field says it is, and as from its nature it would appear to be, by what authority can it be determined by Federal or State Legislation?

If it is a Legislative question, by what authority can the Federal or State Judiciary decide it?

In view of the Constitutional provisions to which we have referred, by what authority can both the Legislative and Judicial Departments of the Government claim the right to determine such questions?

Prior to 1868, nine hundred and five railroad corporations had constructed an aggregate of 42,255 miles of railroad in the United States. On December 31, 1888, the number of such corporations had increased to about 2,340, and the number of miles of railroad had increased to 156,081.

The course pursued by the Government (especially during the last

few years) has caused many of the shorter lines of railroad to be merged into large systems, for the purpose of avoiding, as far as may be lawful, the evil effects of hostile legislation, and to promote economy in operating the roads. To prevent such action on the part of railroad owners, laws have, in many of the Western States, been enacted, prohibiting the consolidation of competing lines. The merging of railways into large systems has reduced the number of corporations operating railroads to about 650. Nearly 1,700 railroads have passed from the control of those who constructed them to other corporations, by whom such railroads are now operated.

The following table shows the aggregate miles of railroads in five grand divisions in 1868 and in 1888, the increased number of miles in each division, and also the percentage of increased mileage during this period of twenty years:

	1868—Miles.	1888—Miles.	Increase in Miles in 20 Years.	Per cent. of increased Miles in 20 Years.
New England Group..	4,019	6,654	2,635	65½ per cent.
Middle States Group..	9,765	20,600	10,835	110½ " "
Western States Group..	16,889	83,001	66,112	391½ " "
Southern States Group	10,693	35,764	25,071	234½ " "
Pacific Group	889	10,062	9,173	1,031½ " "
Total	42,255	156,081	113,826	269½ per cent.

Each railroad corporation, before commencing the construction of its railroad, entered into a contract with one or more of the State Governments, or with the Federal Government. Such contracts were of two classes. In one class the Government agreed, *without reservation*, that, as a consideration for constructing and operating a railroad between certain designated points, and for providing the necessary money to pay the cost of the same, the railroad corporation should have the right, *during its corporate existence*, to establish, from time to time, and collect reasonable rates for transportation over the railroad which was the subject of the contract. All contracts of this class were made pursuant to special legislative acts, commonly called special charters; and it was not then supposed that an express declaration by the Government, that it would in good faith comply with its agreement, was necessary, nor was it then supposed that the Government would resort to contracts for building competing lines for the purpose of reducing rates below such as were considered reasonable at the time such contracts were made.

The other class of contracts to which we have referred were made subject to the reserved right of the State to fix a limit to charges for transportation at its pleasure.

The practical effect of the Supreme Court decisions to which we have referred is to place all railroad corporations at the mercy of Legislatures,

or, as one of the Justices of the Supreme Court of the United States has said, "subject to legislative caprice."

Excluding street railroads, and other railroads of less than ten miles in length which are not operated as part of a system, we find that only eighty-three of the 650 corporations operating railroads were able in 1888 to pay dividends to their shareholders.

9 corporations, operating	1,192 miles,	paid 10 per cent. dividends.
7 corporations, operating	2,247 miles,	paid 8 per cent. dividends.
14 corporations, operating	8,141 miles,	paid 7 per cent. dividends.
24 corporations, operating	13,644 miles,	paid 6 per cent. dividends.
10 corporations, operating	6,973 miles,	paid 5 per cent. dividends.

The remaining nineteen of the railroads which earned dividends paid from 1 to 4 per cent. The amount of rent paid by the operating companies to the corporations owning the leased lines enabled about 200 such corporations to pay small dividends to their shareholders. It will be noted that only about one-eighth of the operating railroad companies were able to pay dividends, and about one-fourth of these paid less than 4 per cent.

The total amount paid to shareholders of all railroads in the United States in 1888, is equal to $0\frac{8}{100}$ of 1 per cent.

In 1887 the amount paid to shareholders was equal to $0\frac{11}{100}$ of 1 per cent. *With an increase of traffic in 1888 of more than 14 per cent., we find the divisible profits reduced $12\frac{1}{2}$ per cent.*

The average percentage of dividends paid on railroads in New England, in 1888, was $4\frac{5}{100}$ per cent; in the Northwestern States, $0\frac{3}{100}$ per cent. This statement of average dividends shows the *difference between the results produced by Eastern and by Western State legislation relative to railroads.*

The average rate per ton per mile charged for freight on the Chicago & North-Western, the Chicago, Milwaukee & St. Paul, the Chicago, Rock Island & Pacific, the Chicago, Burlington & Quincy, the Illinois Central, and the Chicago & Alton Railroads was, in 1870, $2\frac{4}{100}$ cents; on the same roads in 1888, $0\frac{4}{100}$ cents.

The average rate per ton per mile charged for freight on the Boston & Albany, New York Central, Michigan Central, Lake Shore, New York, Lake Erie & Western, Pennsylvania, and Pittsburgh, Fort Wayne & Chicago Railroads, in 1870, was $1\frac{4}{100}$ cents; the average rate charged by the same lines in 1888 was $0\frac{7}{100}$ of 1 cent.

The average rate per bushel for transporting wheat from Chicago to New York, all rail, was, in 1870, 33 cents; in 1888, 14 cents. The editor of *Poor's Manual*, commenting on these statements, says: "The thirteen roads referred to are typical of the entire railroad system. Since 1865, the reduction per ton per mile has been, on the lines named, east of Chi-

"cago, 79 per cent., and since 1868, on the lines named, west of Chicago—the reduction in rates has been 73 per cent. Of the total cost of operating a railroad, fully 80 per cent. is paid to labor in one way or another. "Expenses of this nature can not be materially reduced; in fact, the tendency is constantly toward an increase. The railroads named *received* "in 1888, \$20 for services for which they received \$100 in 1865." He adds: "What other business can show a corresponding reduction in "returns!"

In Illinois there are sixty-two railroads; five of them lead directly east from Chicago, and are operated in the State a few miles only. Of the remaining fifty-seven, nine only paid dividends in 1888, and one of these—which extends out of the State—failed to earn fixed charges on its line in Illinois. The dividends paid in Illinois were 8 per cent. on one line, 7 per cent. on three lines, 6 per cent. on Common Stock and 7 per cent. on Preferred Stock on one line, 5 per cent. on two lines, $2\frac{1}{2}$ per cent. on Common Stock and $3\frac{1}{2}$ per cent. on Preferred Stock on one line, and $1\frac{1}{2}$ per cent. on Preferred Stock on one line. *Forty-nine of the fifty-seven Illinois lines failed to earn any dividends in 1888. On thirty of them the earnings were \$2,275,104 less than was required to pay fixed charges, and on six of them the earnings were \$81,894 less than the amount expended to pay operating expenses.*

The editor of *Poor's Manual*, published in 1889, by an elaborate estimate, shows that the railroad companies in this country employed, directly and indirectly, in constructing, operating, and maintaining railroads, a total of 2,050,000 men, representing families numbering in the aggregate 12,250,000 persons, and that the daily payments by railroad companies, directly and indirectly, to these persons, amount to nearly \$3,000,000.

Taking the share list of the New York Central Railroad as the basis of his estimate, he shows that there are more than 1,000,000 railroad shareholders in the United States.

We think, after a careful examination of such lists of shareholders, as we have had access to, the whole number is much greater; and that there are at least 450,000 women and trustees, for minor heirs, holding railroad shares in the United States.

In view of the very great destruction of railroad values which the Government has caused by the employment of speculators and others, in the construction of railroads, it is interesting to estimate, as accurately as possible, what the actual annual loss of capital invested in railroads is, and what proportion of it is suffered by women and children. For that purpose we base an estimate upon statistics found in "*Poor's Manual*," which we have good reason to believe are accurate.

The total amount of divisible earnings derived from the operation of all the railroads in the United States in 1883 (120,552 miles) is \$102,052,548. The total divisible earnings on the same miles of railroad, excluding all extension of lines, and all new lines constructed between 1883 and 1888, is found to be in the last named year about \$62,589,572, which shows that the amount of available net earnings in 1888, compared with 1883, was reduced nearly 40 per cent., or \$39,462,976. This amount capitalized at the rate of 4 per cent. represents \$986,574,400, which is equal to an average reduction in value of \$197,314,880 for each of the five years referred to. An estimate made in the same way based on the railroads operated in 1887 (147,999 miles) shows, that during the year 1888, the divisible earnings, compared with those of 1887, were reduced \$12,373,576, or about \$1,000,000 each month. Capitalizing the loss in divisible earnings for the year 1888 at 4 per cent., we find the value of all the railroads which had been constructed in the United States prior to January 1st, 1888, was reduced \$309,339,339, during the year 1888, or *nearly one million dollars per day* for six days in each week.

The total amount of traffic in the year last named exceeded that of 1887; in transporting passengers within a small fraction of 6 per cent., and in transporting freight 14 4-10 per cent. The reduced earnings from increased traffic in that year are due wholly to enforced competition by the Government, as has been the case for many years.

Assuming that in 1888 the average number of shares owned by each woman and each child owning railroad shares was one-half the average number held by other persons—which is approximately correct—the reduction in value of the shares held by or for women and children was, for that year, \$76,601,361, or \$170.22 for each woman and each child, which is about one-eighth of the amount owned by women and children.

We have assumed 4 per cent. as the rate of capitalization, for the reason that the market price of shares is now, and for several years has been, based on that rate (substantially), in cases like the Boston & Albany, for example, in which persons with money to invest have full faith in the State Government which has jurisdiction over it. No greater dividends than 8 per cent. have been paid for years on the shares of that Company, and they have for a long time sold at more than \$200 per share.

In estimating the reduced value of railroad property, as above stated, no account is taken of the cost of the railroads when constructed, or cost to their present holders. The estimate is, therefore, not effected by the question as to whether the roads have or have not cost too much.

The estimate of reduced value takes no account of capital stock, and, therefore, no question as to "watered stock" is involved. The result of the calculation would be the same, whether such capital be \$1,000 or \$100,000

per mile. The computation is based upon the assumption that the present value of a railroad in operation depends upon its net earnings, if it has any net earnings.

If we assume that the course which the State and Federal Governments are now pursuing is to be continued, it is easy to demonstrate, mathematically, that in less than ten years there will be very few railroad shares in the United States that will have any value.

The employment of Railroad Commissioners to regulate railroad management, and reduce charges for transportation, has been continued since 1871. The policy of enforced competition by parallel and competing railroads, authorized and promoted by the Government, was adopted by the Western States very soon after the appointment of the first Board of Railroad Commissioners, and is still continued.

For the last fifteen years especially, the policy of the States last referred to has caused universal dissatisfaction among the people, and unparalleled destruction of railroad property.

Many failures in railway enterprises occurred in the West while the States kept faith with railway companies. Such failures were due to the fact that many of the railroads were built before the development of the country had proceeded far enough to provide sufficient traffic to support them. For such failures, the State Governments are, of course, not responsible. This class of failures, with few exceptions, occurred prior to 1870. About that date, the Western States adopted their present policy, which appears to be exercised with complete disregard of the spirit of their prior contracts with Railroad Corporations. By the kindness of the editor of the *Railway Age*, we have been permitted to take from his files statistics, from which we have compiled the following statement of the number of railroads sold under foreclosure during the last fourteen years, together with the Aggregate Mileage, Bonded Debt, and Capital Stock of such roads:

DATE.	Total number of roads.	Total number of miles.	Total Amount Bond and Debt.	Total Capital Stock.
1876	30	4,933	\$145,834,292	\$122,362,241
1877	54	3,875	119,983,700	79,045,700
1878	48	3,902	160,014,500	151,616,700
1879	65	4,909	162,822,780	80,466,038
1880	31	3,775	166,568,000	97,313,700
1881	29	2,617	51,277,661	76,644,986
1882	16	867	26,160,500	39,265,600
1883	18	1,854	28,505,000	18,825,000
1884	15	710	9,591,000	13,913,000
1885	22	3,156	141,590,000	136,904,000
1886	45	7,687	170,140,500	203,969,200
1887	31	5,478	164,522,000	163,659,000
1888	19	1,596	36,806,400	27,749,800
1889	25	2,930	84,864,000	52,951,000
Total	448	47,789	\$1,468,635,833	\$1,264,684,715

We have been unable to obtain statistics relating to such sales made prior to 1876, but we know the number was very great.

It will be seen from the above tabular statement that, in round numbers, one thousand two hundred and sixty-five millions of capital stock was, during the period of fourteen years—to use a common expression—“wiped out;” and to this immense sum should be added many millions of floating debt, of which we have no means of even estimating the amount.

It will be seen that an average of 3,413 miles of railroad was sold annually, and in many cases the same roads have been sold two or three times. Before being sold they were all held and operated by Receivers, for terms of from one to ten years, the average term during which each road was so operated being about five years.

It therefore appears that an average of 160 railroads were each year in the hands of Receivers, and that the total length of such railroads, each year, so operated, exceeded an average of 17,000 miles.

The common practice of Receivers in such cases is to reduce rates of transportation, so as to attract the largest possible amount of traffic from competing lines, regardless of net earnings. This causes great loss to corporations that are trying to earn at least enough to pay operating expenses, and often reduces them to bankruptcy.

The course pursued by Receivers in operating railroads causes great dissatisfaction among the patrons of other lines, who generally fail to understand why a Receiver can make lower rates than other Railroad Managers. The latter, in their efforts to obtain money to pay current expenses, and thereby keep the companies they represent from bankruptcy, often reduce rates below actual cost, which reduced rates the public will not permit afterward, under different conditions, to be advanced. The unanswerable argument in the minds of the public being, “you would not have made such and such rates if they had not been profitable, and to advance them is extortion.”

During the term in which a railroad is held by a receiver, it is *practically confiscated*, and is operated in the interest of the public only. The interest of the shareholders is of course “wiped out.”

The bondholders during that period, as a rule, receive no interest on their bonds, and when the railroad is sold there is commonly a large amount of receiver's certificates outstanding, which represent the money the receiver has borrowed to enable him to pay operating expenses and make necessary repairs on the road. The debts he has created are a first lien on the property, and must be first paid from the proceeds of the sale. If the bondholders become the purchasers, they must put their hands in their pockets and pay the debt which the receiver has created; they not only lose the interest on their bonds while the receiver has possession of

the road, but at the end of the receiver's term of management they must pay a new debt in order to avail themselves of the security which was given for the old one.

The average number of miles of railroad operated in the United States during the last fourteen years is about 114,000, and, as we see from the above statistics, 15 per cent. of that mileage has been operated by receivers, wholly in the interest of the public, and in most cases partly at the expense of the bondholders.

The operation of railroads by receivers is one of the inevitable consequences of the policy which has been pursued by the State Governments in the West for the last twenty years. In several cases within the last few years it has been found difficult to sell railroads, at the termination of their management by receivers, for a price large enough to pay the debt which the receiver has created.

We are told that "competition is the life of trade," and that competition between railroads is one of the objects of the Government in multiplying them. That voluntary, or free, competition, as it is exercised by all classes except railroad corporations, promotes the true interest of the public no one will deny. Such competition, in its final analysis, leads to the "survival of the fittest," and the public are therefore served mainly by those best qualified, and at competitive prices. Those who prove unfit to cope with others are driven from the field, or, if being fit to compete, the number of competitors is found too great for profitable competition, they may go elsewhere or pursue a different occupation. If they become paupers, they are supported while they live at the expense of the public.

Like conditions do not exist in railroad competition. The railroad company can not be permitted to compete without restrictions, as others are permitted to do. It can not be permitted to limit its charges by the law of supply and demand only, as all others may do. It can not be permitted to recoup losses incurred in a dull time when afterward there is an active demand for what it has to sell, as the merchant and others may do.

Under favorable conditions, competition between railroads tends to promote the public interest, and should be encouraged; but *forced competition* leads to evils without number, which has been abundantly demonstrated in this country. When the competing railway is losing money, it can not be removed to another field, nor can it be put to other use.

When it is not operated at a profit, it can not be expected that it will be kept in proper condition for service, and it soon becomes a pauper; but, unlike other paupers, it forces its competitors to support it, and it never dies.

The Railroad Commissioners of one Western State frequently compete with those of another in reducing rates, with apparently very little regard for the destructive consequences of their acts.

Such are some of the features of railroad competition in this country.

The natural and necessary legal disabilities and limitations under which all railway companies labor, are recognized in all other countries, and such roads are protected against excessive competition by refusal to permit the construction of a greater number of railroads than are actually required to provide necessary facilities for traffic. Such protection is given by a division of territory between the several roads in some countries. In others, by what in this country is called "pooling." In all countries except ours, protection against excessive competition is given by or under the authority of the Government in some way.

With the existing railroad situation in the United States, there is in railroad competition scarcely a single element in common with competition between those who are engaged in other business enterprises.

It seems as unreasonable to expect that the people will derive any benefit from competition between railroads under existing circumstances, *except at the cost of capital invested in them*, as it would be to expect a good crop of wheat by sowing tares. The necessary conditions do not exist.

In all beneficial competition, the desire to get gain or profit is the element in human nature which induces persons to render good service or sell commodities at a low price.

With seven-eighths of all the railroads in the United States to-day, the question is not how to make a profit, but how to maintain their existence, and keep out of the hands of the court.

In view of the unjust treatment of railroad corporations by our Government, and the fact that such treatment is said to be warranted by the principles of the common law, it may be interesting to compare the course pursued by the Government of this country with that pursued relative to such matters in the country from which we derived the common law, where its principles are supposed to be well understood.

It must not be inferred from the statement made by Mr. Chief Justice Waite, that the Act of Parliament regulating rates of charges by common carriers, which was passed in 1691 and repealed in 1827 (and, as he states, has not since been re-enacted), has left common carriers, by railway, in England, subject to common law regulation only since 1827. Many Acts of Parliament relating to charges for railway transportation have since been passed, and as, according to the decisions of the Supreme Court of the United States, our State Legislatures have substantially the same unlimited power over railroad corporations that the Parliament of England has, it is interesting to see how carefully the English Government has guarded against the unjust exercise of its power over railways, and to compare its action in that regard with the Acts of our Government. An

examination of the many acts and orders relating to railroad companies, and the notes of cases decided thereon, in England, since 1825, shows, among others, the following facts: From 1825 to 1840, about one-third of the Acts of Parliament which provide for the construction of railroads, and for fixing rates for transportation thereon, empower the companies to make such charges as they may from time to time determine upon. In about one-fourth of the acts during that period, maximum rates were fixed, for passengers only, generally $3\frac{1}{2}$ pence—or 7 cents—per mile.

The first act which fixes maximum rates for goods was that of the Liverpool & Manchester, passed in 1826. It provides that no more than 8 shillings per ton shall be charged for Classes 1 and 2, for the entire length of the line, and for any shorter distance a ratable proportion. These charges do not include compensation for the use of locomotives or cars. The act provides that for "persons, cattle and other animals," the company shall charge at its discretion.

The Southeastern Railway Act may be referred to as an example of another class; it obtained its act in 1836. The act was framed upon the supposition that private persons might send their own engines and cars over the line, and in such cases tolls were authorized of 2 cents, 4 cents, and 6 cents per mile for the several classes of goods, and the act authorizes the company, in case it uses its own engines and cars, to charge "such sums of money for the use of engines as the said company shall think proper," and "to make such reasonable charge for conveyance, in addition to the tolls named, as they may from time to time determine upon."

In 1838, Parliament passed an Act to provide for the conveyance of the mails by railways. That Act provides, among other things, that in case the Postmaster-General is unable to agree with any railroad company on the amount of compensation to be paid for transporting the mails, each party shall select an arbitrator, and in case the two arbitrators shall be unable to agree, they shall appoint an umpire, and the compensation fixed by the arbitrators or the umpire, as the case may be, shall be "binding and conclusive on the parties, their successors and assigns, for the term of three years." At the end of each succeeding period of three years, in default of an agreement upon the amount of compensation to be paid, any "*railway company* who may consider themselves aggrieved by the terms of remuneration fixed by such contract or award" may demand a new arbitration. There is no provision in the Act which gives the Postmaster-General the right to demand any arbitration except the one first provided for. He may, however, order the discontinuance of the service at any time.

"The Cheap Trains Act, 1844," provides: "That if, after twenty-one

"years from the passing of the Act for the construction of *any future railway*, the clear annual divisible profits shall exceed 10 per cent. on the paid-up capital stock of such railway, the Treasury may revise the scale of tolls, and fix a new scale; provided, always, that no such revised scale shall take effect unless accompanied by a guarantee, to subsist as long as such revised scale of tolls, fares, and charges shall be in force, that the said divisible profits, in case of any deficiency therein, shall be annually made good to the said rate of £10 for every £100 of such capital stock; provided, also, that such revised scale shall not be again revised, or such guarantee withdrawn, otherwise than with the consent of the company, for the further period of twenty-one years."

The Act last referred to provides that the Government may, at its option, purchase railroads built subsequent to its passage, at any time after twenty-one years from the date of their completion, "upon payment of a sum equal to twenty-five years purchase of the said annual divisible profits, estimated on the average rate of profits for the three then next preceding years; provided, that if the average rate of profits for the said three years shall be less than the rate of ten pounds in the hundred, it shall be lawful for the company, if they shall be of the opinion that the said rate of twenty-five years purchase of the said average profits is an inadequate rate of purchase of said railway, reference being had to the prospects thereof, to require that it shall be left to arbitrators, in case of difference, to determine what (if any) additional amount of purchase-money shall be paid to said company; provided, also, that such option of purchase shall not be exercised except with the consent of the company, while any such revised scale of tolls, fares, and charges shall be in force."

Section 3 of the Act provides that the option of revision of rates or purchase by the Government shall not be applied to any railroad constructed, or authorized to be constructed, before the passage of that Act. Section 6 provides that, for the purpose of securing "to the poorer class of travelers the means of traveling by railway at moderate fares, and in carriages in which they may be protected from the weather," on all railroads thereafter authorized to be constructed, at least one train per day shall be run each way over the line on which the fares shall not exceed two cents per mile. The Act also provides that on all roads thereafter constructed military officers shall be carried, while on duty, at a rate not exceeding four cents per mile in first-class cars, and that soldiers, with their wives and children, shall be carried, in *cars provided with seats*, at two cents per mile.

"The Railway Construction Facilities Act, 1864," provides that *on railroads thereafter constructed* it shall be lawful to charge for passengers, 1st class, 6 cents; 2d class, 4 cents, and 3d class, 2½ cents per mile.

For each animal, per mile, according to size and class, 8 cents, 6 cents, and 3 cents.

For goods, per ton per mile, of different classes, 8 cents, 6 cents, 4 cents, and 3 cents.

To these prices reasonable terminal charges are to be added. For special services by contract, higher rates were authorized. In 1871, an Act was passed authorizing the Secretary of State, in cases of emergency, to take possession of any railroad in the United Kingdom for military purposes. In all such cases full compensation is to be made for any loss or injury the company may sustain, and in case of *disagreement* as to the amount, it is to be *settled by arbitration*.

"The Regulation of Railways Act, 1873," provides for the appointing of three Commissioners of whom one must be a lawyer, and one of experience in railway business. The principal duties of the Commissioners appointed under the Act of 1873 were to settle questions of difference between railroads arising relative to through rates, and, to some extent, the jurisdiction of the Court of Common Pleas was conferred upon them. The Act of 1873 also provides that any difference arising between the Postmaster-General and a railway company, as to the amount of compensation to be paid for carrying the mails, may be, at the option of the railway company, *settled by arbitration* in the manner we have before referred to, or by the *Commissioners acting as arbitrators*.

The latest Act relating to railway transportation in England is the "Railway Traffic Act, 1888." By this Act it is made the duty of each railway company, within six months after the passage of the Act, to submit to the Board of Trade a schedule of rates, proposed terminal charges, and a classification of merchandise traffic. The Board of Trade is required to consider such classification and schedules, and to hear all objections that may be made thereto, *for the purpose of arranging the differences which may have arisen*. If the Board of Trade and the railroad companies agree, the schedules of rates and classification agreed upon are to be reported to Parliament for confirmation. If no agreement is reached, the Board of Trade is required to report to Parliament, stating the points of difference, with such recommendations as they may think *just and reasonable*. At the session of Parliament next after the one to which the schedules and classifications are reported, all parties in interest may be heard before a special committee. After confirmation by Parliament, changes may be made in rates by railway companies, with the approval of the Board of Trade. This Act does not apply to compensation for carrying the mails or parcels for the post-office department. Under the Parcels Act of 1882, the railway companies receive *55 per cent. of the gross receipts*, and if the weight of parcels, or prices charged by the Postmaster-General, are changed, the allowance of 55 per cent. may be revised.

Nothing in the Act of 1888 is to apply to transportation for the Secretary of War. Under the Act of 1883, the railroad companies receive for "*War Office Stores*" a *maximum of four cents per ton per mile, and the troops, when available, must load and unload the cars.*

Instructions given by the Board of Trade to railway companies under the Act of 1888 require each company to submit, with its proposed classification and schedules of charges, including terminal services, the *rates they are by their several acts authorized to charge.* From the whole scope of the Act of 1888, and the instructions of the Board of Trade based upon it, it is evident that the Government intends to supervise the action of railway companies in the matter of rates and classifications of merchandise *which such companies shall make for their several lines, and in doing so every precaution has been taken by Parliament to preserve to such companies maximum rates which on the whole shall be equal to those they were, by their charters, authorized to charge.* The object of the Government is evidently to regulate charges in the common interest of all concerned; but not to reduce rates for the benefit of the people to the injury of the railways.

We have before us copies of a large number of schedules of rates prepared under the Act of 1888, which have been submitted to the Board of Trade, and, as we understand, have been approved by the Board.

The average of such rates is more than double the rates now charged by railroads in the United States.

We find in all the acts relating to railways that the English Government has recognized that the companies are entitled to charge such *maximum rates* as are stated in their charters, and when no such rates were stated they may charge *such maximum rates as were considered reasonable at the time their railroads were constructed.*

We find, also, that in all cases *arbitration is provided for*, if a difference arises which can not be settled by agreement between the companies and the Government.

Lest it may be claimed that the Act of 1888 fails to recognize the right of arbitration, we will refer to a remark of Sir Michael Hicks Beach. Speaking with reference to the expense of proceedings before the Board of Trade, he said: "I hope very little expense will be incurred. *The Board of Trade will act as an arbitrator*, and mainly with a view to bring "about an agreement between the trades and the railway companies."

W. A. Hunter, LL. D., M. P., in commenting upon the Act after its passage, says: "What may perhaps turn out to be the most important change introduced in the Traffic Act of 1888, is the power given to the Board of Trade to act as a *mediator* in all complaints of unreasonable charges or unfair or oppressive treatment by railway companies. In

"all cases the trader may go to the Board of Trade before resorting to litigation. *No coercive power is given to this department*, but, as the Board is required from time to time to report to Parliament, its recommendations can not fail to have great weight with railway companies." Referring to railway matters in England and America, he says: "*In Great Britain, from the first, railway concessions have been granted only after full consideration by Parliament.*"

"Competitive railways have been sanctioned by Parliamentary Committees, but not to anything like the extent that has prevailed in America. Competition, sometimes keen competition, exists between railway companies, but it does not lead to the reduction of rates and fares.

"*Rates and fares are stereotyped, and the competition among the railways is confined to affording greater facilities and accommodations. The third class passenger in 1889 pays as much as his prototype in 1845*, but instead of being limited to one train a day, he can travel by nearly every train. He often travels at forty miles per hour, and he has, usually, ample accommodations. These advantages he has gained, but there has been no cheapening of fares. *In the case of goods traffic, competition has also encouraged speed, but it has led to some practices that are bad for the railway shareholder, and of doubtful utility to the trader.* It has given rise to an army of touts, or agents, whose services are of no value to the trades community; and, in other ways, *it has led to a costly and unprofitable mode of conducting traffic.*"

A comparison in detail between the treatment of railway corporations by the British Government and the treatment of such corporations by the Government of this country, would reflect such discredit upon the latter that we must be excused from attempting it. The difference is as wide as the antipodes. It is like comparing justice with injustice.

In the United States the Federal Government orders the railroad companies to carry the mails, and does not even consult them as to the compensation to be paid. State officers issue orders, without consulting the railroads, fixing maximum rates for all other transportation. There is no attempt to make agreements. There can be no arbitration in this country between the Government and the railroad companies, on any matter of difference.

Instead of arbitration, the States reverse the common rule of evidence in cases of dispute as to rates, and require the railroad manager to prove his innocence, or suffer the penalty of the law. Our Government confiscates railroad property by enforcing ruinous competition, and by the arbitrary orders of Railroad Commissioners to reduce rates and fares. It does not spare poor women and children who have inherited from husband

or father a pittance representing the investment of savings in non-speculative railroads. It shows no mercy toward another class of shareholders, largely composed, also, of women who are the innocent victims of its speculating contractors and their brokers, who have "placed" the securities which it has been said the roads were "built to float."

During the last twenty years many charges have been made against railway companies in this country, by politicians and others, based upon the assumption that such companies were trying to earn dividends on "watered stock."

"Watered stock" has doubtless been issued by many speculative railroad companies since 1870; but, so far as we are advised, such stock was issued before that date, in a few cases only, and in all of them the entire capital stock had been foreclosed before 1870.

Notwithstanding so much has been said in regard to efforts to earn dividends on "watered stock," we have reason to believe that there is not a railroad company in the United States that has ever paid to its shareholders more than would amount to a fair rate of dividend on its shares, if such shares were reduced in number, so that each share would represent at par the actual amount of cash paid to the treasury of the company by the person to whom it was issued.

We have been for a long time in the railroad service, and have had an extended acquaintance with railroad managers; but we have never seen or heard of a railroad manager, who, when considering a tariff of rates, ever took into account the share capital or indebtedness of the railroad company. There are always other conditions that govern in such cases; and yet it is a common "cry," that railroads are "cheating the public" in their efforts to earn dividends on "watered stock."

The term "watered stock" should have a much wider application than is commonly given to it.

It is generally claimed that farmers, as a class, have greater cause for complaint against railways, by reason of alleged excessive charges, than any other class of persons, and that as a class they derive less benefit from railroads than any other.

When most of the non-speculative railroads, like yours, were being constructed in Illinois (from 1852 to 1856), about three-fourths of all the lands in the State were held by the General Government for entry at \$1.25 per acre. About 3,000,000 of acres near the line of the Illinois Central Railroad were at the same time held by the Government for sale at \$2.50 per acre. At this period, when persons residing in the Eastern States were investing their hard-earned savings in the construction of railroads like yours, and other roads constructed about the same time, farmers were purchasing lands in Illinois for \$1.25 per acre, which were about to be

made valuable for farming purposes by the construction of railroads, and in many cases such lands were purchased, by the use of land warrants, at a cost of less than \$1 per acre. What profit has the farmer or his heirs realized during the last thirty-five years on such purchases? No person having knowledge of the matter will contend that the average annual profit from cultivation has been less than \$4 on each acre, and that sum is equal to a profit of from 300 to 400 per cent. per annum on the cost of the land. What amount of "water" would be developed if the lands were now to be sold? Excluding the value of improvements, the lands are worth an average of more than \$50 per acre. At that price it would appear that there is \$49 of "water" for each dollar invested. The railroad corporations are unquestionably responsible for the "water" in the advanced price; the land-owner has absorbed it from the railroads. He is, nevertheless, entitled to it. It would be easy to show that all other classes of persons have absorbed the same kind of "water" from railroad corporations, and generally much more of it than the farmer. They, too, are fairly entitled to the "water" in their annual profits and in the advanced prices of their property. It may be said that farming lands can not now be purchased in Illinois and made to produce a large profit on their present market value. That may be true; but it is no reason why the railroad carrier should continue to reduce his charges for transportation indefinitely. The railroad has increased the value of lands to fifty, and in many cases one hundred, times its original cost; but there is a limit to its ability to enhance the profits of its patrons. This fact should be recognized and admitted by the people. That limit in most cases has been reached.

To arbitrarily force carriers beyond it is a species of highway robbery which can not be justified, although it may be lawful.

How stand the railroad corporations in the midst of the almost universal prosperity which they have at least done their full share to promote?

Thirty-five years ago the railway manager, the farmer, the merchant, and all others met on common ground.

The railway manager was permitted to consult with his patrons as to such rates as would best promote their interests, and, with proper regard for all, within reasonable limits, to act promptly upon information obtained from them, well knowing that no railway company can adopt a wiser policy than to promote the true interests of its patrons. It is for such service that payment is cheerfully made. For the last twenty years that has not been permitted. Since the poor railway has been held to service by the politician it has been going from bad to worse continually, and popular dissatisfaction has increased. To-day the railways are in the position of half-starved servants, who must be thankful for such crumbs as their masters may permit them to receive. Why this great change? What

have the persons who invested their savings in railways done to merit such treatment? That the Government has the power to deprive one class of its citizens of their just rights, has been demonstrated; but, in our judgment, its exercise can not be justified.

We do not believe that "might makes right." If it is right to arbitrarily limit the profits of one class of persons, or to deprive them of all profits, as has been done in the case of many railroads, why not do the same with other classes of persons?

If "watered stock" justifies such a course, what tangible property can be found in this country that does not contain the kind of "water" referred to; and why not serve all alike? We see to what absurd conclusions such suggestions lead. Why has it been possible to deprive one class in the West of their just rights that all others may profit thereby? The answer is easy. That class does not vote in the West.

The fact, as already stated, that the average rate of dividends paid in 1888 on shares of the New England railroads was *four dollars and fifty-six cents* per share, while in the same year an average of only *fifty-two cents* per share was paid in the West, may be accounted for in the same way.

It is said that we should not complain unless prepared to suggest a remedy. We will therefore suggest the ownership of railroads by the National Government, and the organization of a corps of railroad operators, who shall remain in the service during good behavior, and be in no greater degree under the influence of politicians or political parties than the army militant. The outlines of our suggestion may be stated as follows:

1st. The National Government shall acquire the ownership of all the railroads in the United States which are now used for Inter-State traffic; such railroads to be acquired by the exercise of its right of eminent domain, or by purchase, under such limitations and rules as to price as Congress may determine.

2d. Payment therefor to be made by the issue of Government bonds bearing interest at a rate not exceeding 3 per cent. per annum, said bonds to be redeemed by the annual application of a sinking fund equal in amount to 1 per cent. of the whole amount of such bonds issued; the annual interest and sinking fund to be paid from the net earnings of the railroads, and the rates for transportation from year to year to be reduced, so as to provide no more money than shall be needed for such payments.

3d. To the end that citizens of each State shall be required to pay no greater rates for transportation than shall be necessary to produce an annual amount of net earnings on the railroads of the State in which they reside equal to the annual interest and sinking fund on the bonds issued

by the Government in payment for such railroads, separate schedules of rates shall be made for transportation on railroads in the several States, and changed from time to time, as may be necessary to secure that object.

4th. Such railroads as may be hereafter constructed and used for Inter-State traffic in the several States may be purchased by the National Government or not, at its option. If the Government shall at any time not elect to purchase railroads hereafter constructed and used for Inter-State traffic, it shall nevertheless have the right to make through rates, from time to time, for traffic over the same, in connection with other Inter-State lines, and all such through rates shall be divided between the several lines owned by the Government and lines not so owned, in proportion to mileage.

5th. A Board of National Railroad Directors, consisting of ——— persons, shall be appointed by the President of the United States, and the persons so appointed shall hold such offices during good behavior. The Board of Directors so appointed shall exercise general supervision over, and issue all necessary general orders relative to, the maintenance and operation of such railroads, subject to such laws as Congress may from time to time enact. It shall be the duty of said Board to cause proper general regulations and rules to be prepared, which shall provide for the appointment and define the duties of all necessary officers and employes in the railroad service of the Government, and shall state, in connection therewith, the amount of compensation each officer and class of persons so employed shall receive. Such regulations shall (except in cases in which services are needed for a short time only) provide that during the first year's service each person appointed or employed shall be considered on probation, and if not discharged before the end of that year, he shall not thereafter be discharged without sufficient cause, concerning which proper investigation shall be made, the intent being to keep men in the service during good behavior, as far as practicable. All general regulations and orders shall be consistent with authority conferred by act of Congress.

6th. All rates for Inter-State traffic on all railroads in the United States to be fixed and changed from time to time by the National Board of Directors, in their discretion; provided, however, that in fixing such rates the Board shall see that the rates are in proper proportion with all local rates, and that the aggregate annual net earnings resulting from railroad traffic shall each year be, as nearly as practicable, equal to the amount required for the annual interest and sinking fund before referred to.

7th. All schedules of rates for traffic which does not cross the boundary-line of a State or Territory of the United States may be prepared and submitted to the National Board of Directors by Railroad Commissioners or other persons duly authorized by State authority, and all schedules, when

so prepared and submitted, shall be carefully examined by said Board. If in the judgment of the Board such schedules of rates are proper, and will produce the requisite amount of net earnings, they shall adopt the same. If the members of the Board think otherwise, it shall be their duty to notify the Commissioners or other State officers who have submitted a schedule which they are not prepared to adopt, requesting a conference, that points of difference may be agreed upon, if found proper, after consultation. If such agreement is not arrived at, then the Board of Directors shall make such amendments to the schedule submitted as in their judgment their duty shall require, before adopting the same. Proper provision shall be made for persons injured by accident while in the service, and for such as may, after having served — years, become superannuated.

In view of the fact already demonstrated, that the actual value of railroad investments has been reduced during the last five years nearly *one thousand millions of dollars*, and is now being reduced by the course pursued by State and Federal Governments at the rate of nearly *one million of dollars per day*, it would appear that if anything is to be saved by shareholders of at least three-fourths of the railroads in the United States, there should be no further delay in making their appeal to the Government or the people. The day has passed when an appeal can be successfully made to a State Legislature for indemnity on account of losses the State has caused, as was done in Illinois thirty-five years ago. The money which has been invested and lost in railway enterprises—no matter what has caused the loss—can not be recovered. The people have been told for many years that they have the right to demand and receive railroad transportation subject to such regulations, and for such compensation as they may dictate at their pleasure, and the Courts have in substance so decided. That railroad charges are now too low to support all the railroads, has been practically demonstrated; but for reasons we need not discuss, it is probably impossible to advance them to such a degree as would be necessary to support all the roads.

Shameful as the record of the treatment of railroad shareholders by the Government has been and still is, probably nothing less potent than a special interposition of Providence can so change public sentiment as to induce the Government to do anything which could be construed as an admission that it has been in the least degree wrong or unjust in its treatment of railroad corporations during the last twenty years. The suggestion we have made appears to avoid the necessity for its making such an admission if the course we have indicated should be adopted.

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interest, sinking funds, and occasional dividends would at least enable the Government to continue present rates for transportation, and would probably enable it to immediately reduce them. Rates still lower could be made from year to year as the amount of bonds outstanding is reduced by the sinking fund, and when all the bonds shall have been redeemed, rates for transportation need be no greater than may be found necessary to pay operating expenses.

One of the incidental benefits to be derived from the proposed issue of Government bonds would be the use of such bonds for continuing National Banks. Under other conditions we would not advocate the purchase of the railroads by the Government; but we can see no reason to fear that the corps of railroad operators will be made a political factor, if organized as suggested, and we can see no reason why the proposed Directors may not act with as much freedom from political bias, and command as much confidence as Justices of the Supreme Court, or other officers, who hold office during good behavior, now do. While, under ordinary conditions, we believe the less business the Government is charged with the better for all concerned, we, nevertheless, believe the present railroad problem contains certain elements which preclude any better solution of it.

It is evident that the disposition of the people to continue the reduction of rates for transportation from time to time "grows by what it feeds upon."

It would therefore appear that shareholders of a great majority of the railroads have but one alternative. They must either sell their remaining interest in railroads to the Government at such price as it may in its sovereign pleasure be willing to pay, or submit to the continuing process of confiscation, and soon lose the remainder of the capital they have invested therein.

For the purpose of judging whether we may reasonably expect relief by a change of governmental policy, and what course we should pursue to obtain it, it seems necessary to consider the relation in which the people stand with reference to the Government.

It appears to us that there are practically three classes of popular sovereigns in the United States; which we will refer to in the order of their rank as indicated by the power they commonly exercise.

1st. A very numerous class, the members of which are continually seeking important official positions for themselves or their friends. Its members in most cases determine who shall be elected to office by controlling primary meetings for the selection of candidates, and by managing "political machines." During the interval between elections, they give to persons in office such information as they need in shaping their course with reference to the next election. This class of persons by their

long continued cries of down with "Railroad Monopoly," down with "gasping corporations," (gasping would be a better word) and other similar appeals to popular prejudice, have pushed the confiscation of railroad property to the verge of complete destruction.

2d. Politicians of ability and integrity, who are generally in office, and who intend to serve their country in accordance with their best judgment, or at least as far as it can be done without lessening their chances for promotion or re-election. They seek instructions from the class we have first referred to, on nearly all questions that arise, and appear to believe that it is their duty to represent their constituents in the light of such instructions, whether in so doing they act in accordance with their own judgment or otherwise.

3d. A class more numerous than both of the others, which embraces all voters not included in the classes before referred to. Of this class, it may be said that its members (with few exceptions) are eminently respectable. They devote their time to their own business and social affairs, and give little attention to the selection of persons to make laws, or to the character of laws when made. If their attention is called to an unjust law, they do not appear to think they are in any degree responsible for it; and their neglect to act in the matter seems to result from their belief that that which is the duty of all does not impose any responsibility upon them individually. To present a type of the honest politician who makes laws, and who is generally in office, the writer will relate his experience with one of them some years ago: Having occasion to procure the passage of a certain law, in order to compel a railroad company about to be re-organized to deal justly with a connecting line, which had been constructed for its sole use, the writer made known his wishes to the leader of the dominant political party in one of our Western Legislatures.

This leader said: "What you ask is just; it will be a great wrong if it is refused by the Legislature."

"Then, you will vote for the bill?"

"Oh, no; I can not do that. My constituents are opposed to all corporations; they would never forgive me, or elect me to office again, if I should vote for anything wanted by a corporation."

This man, in his individual transactions, is as honest and fair as a man can be, and in political contests he is often spoken of by his opponents as an honest politician. His courage is undoubted; he has demonstrated it on many a bloody field of battle.

We think we may safely assume that he is a fair type of a large majority of the members of State Legislatures, and of Congress. He, no doubt, believes that he does his whole duty when he represents what he is informed is the wish of his constituents, although by so doing he may participate in the enactment of laws which his judgment tells him are unjust.

The patriotic citizens we have referred to as Class No. 1, in whom resides the "power behind the throne" in this country, must not be overlooked in any proposed measures for relief.

They have already ridden the railroad hobby nearly to death, and we believe would consider our suggestion with favor. During one Presidential campaign the old hobby would still be of some use to them. They would doubtless like to elect a President whose duty it would be to appoint the National Board of Railroad Directors, and such Directors in organizing the corps of railroad operators might find places for some of their friends who would be willing to keep out of politics thereafter.

There would still be State Boards of Commissioners to be elected, or appointed, and the railroad hobby might continue to be of some use within narrow limits.

May we not appeal to the members of the largest class of popular sovereigns—to whom we have referred—with some hope of gaining their attention and influence in behalf of just treatment by the Government? Although the members of that class have not actively participated in promoting the policy of spoliation by reduced rates, which has caused such great loss to shareholders, they have participated, in common with others, in profits gained at the expense of shareholders. This from necessity they must do while the governmental policy is continued unchanged. But may we not respectfully remind them that they are each of them in some degree responsible for the acts of the Government. Our respect for the great majority of that class of sovereigns is such that we have no doubt they would prefer that all persons should pay a fair price for railroad transportation. But we fear some of them are like the Irishman, who, after having taken the temperance pledge, said he could not be so "unkind" as to remonstrate with a friend who had shared contraband whisky with him by putting some of it in his tea "unbeknownst" to him. We presume it will not be seriously denied that the Government is morally responsible for the results of its own acts.

It is idle to say that the State Governments are not responsible for the construction of too many railroads. They, and they only, have had absolute power to prevent building railroads.

No railroad ever has been, or can be, constructed in the United States, except by State or Federal authority.

No corporation ever has constructed a railroad in this country without first receiving, in writing, from the Government, under its great seal, evidence of its authority to construct its proposed road, and, in all such cases, obligations are assumed on both sides, by the corporation and by the Government, which are in the nature of a contract, as has been held by the Supreme Court of the United States. It is true that the State

Governments have repudiated, in part, many such contracts; but such repudiation can not relieve them of moral responsibility for their unjust acts. They should have had proper regard for the rights of all—railway shareholders as well as all other classes—and should have refused to authorize one corporation to prey upon another, to the end that the public may for a short time profit thereby. It is no answer to say that for years new railroads have been constructed in many States under general laws. Unless general laws promote the general welfare and protection of all, they should be repealed.

The powers of railroad corporations are few and well-defined. If such powers are not properly exercised, a remedy may be easily and promptly applied by order of court, or in some way by which the rights of all shall be considered and protected.

It is no answer to say that the object in multiplying railroads has been to regulate rates or to reduce them within reasonable limits. Reasonable rates can not be secured by multiplying railroads without limit.

As well might a man at the head of a large family attempt to regulate his servants, of whom he has already a sufficient number, by adding as many as his house will hold, and then attempt to obtain good service from them by reducing their wages and keeping them in a half-starved condition.

What would be thought of such a man, who, when he finds his hungry servants agreeing to peaceably divide the limited rations within their reach, issues an order prohibiting all such agreements under severe penalties? And when he finds that, without agreement to fairly divide their daily bread, extreme hunger leads to strife, resorts to scolding, and tells them they are causing him and themselves unnecessary trouble by their failure to act like gentlemen?

We have called your attention to some of the salient features of the railroad history of our country. It is to the credit of every other country that it is without a parallel. If the history of railroad construction, and the treatment which railroad shareholders have received during the last twenty years from our Government, does not appeal to the sense of justice, which is believed to be a characteristic of the American people, no words of ours can do so. We do not believe that the State and Federal Governments are unable to exercise proper control over the management of railroads without reducing them to bankruptcy, as has been done in so many cases.

If our Government finds that, in order to exercise proper rule, it is necessary to ruin its most useful servants, then let us frankly admit that it is a failure, and humbly ask Queen Victoria to permit us to return to the protection of our mother country.

We believe that in no country in the world is the desire to conform to the "Golden Rule," or a higher sense of honor and honesty manifested by a majority of its intelligent citizens, in their individual transactions, than in our own. Nothing can be said to the average American citizen that will arouse his honest indignation to a higher degree than to charge him with dealing unjustly or unfairly with his fellow man.

We would, therefore, naturally expect that our Government would embody in its laws, and enforce, the honest intent of the great majority of our people. In the main it does so; but in its relations with railroad corporations there has been for years, and is now, a remarkable exception.

Whether there is any remedy within the reach of honest men, is very doubtful. But those of us who represent railroads built at an early day, not for purposes of speculation, but when and where the welfare and prosperity of the people actually required them, among whose shareholders are many thousands of poor men, women, and children, whose daily bread, in a large degree, depends upon just treatment of railroad corporations by the Government, should no longer remain silent.

Why your railroad is now operated with more favorable results than many others in the West, was explained to you in our last Annual Report. Briefly stated, the reason is, that for many years your Company has, as far as possible, continued to prepare for the existing difficulties, under which all Western railroads now labor. Your Company is an exception to-day; but we can give you no assurance that it will long so continue.

It is certainly within the power of the Government to continue its present policy. If it does continue it, there will soon be no exception; all will be involved in one common destruction of railroad values.

We again request you to exert, in such manner as you may think proper, such influence as you may have with those who dictate the policy of our Government; and we still hope that, if we can induce the people to listen to us, they will say to their representatives in Congress, and in the several State Legislatures: "Let justice be done."

By order of the Board.

T. B. BLACKSTONE,
President.

APPENDIX.

AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 12, 1890.

To the Board of Directors :

GENTLEMEN : I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31st, 1889, and the operations of the road for the fiscal year 1889 :

- A — General Balance Sheet.
- B — Income Account.
- C — Additional Property Account.
- D — Gross Earnings from Traffic for the year.
- E — Statement of Monthly Earnings from 1880, and Annual Expenses and Profits.
- F — Passenger Statistics and Comparisons.
- G — Freight Statistics and Comparisons.
- H — Freight Transported.
- I — Statement of Gross Earnings from Shipments of Farm Products in Illinois.
- J — Statement of Gross Earnings from Shipments of Farm Products in Missouri.
- K — Mileage of Cars and Details of Mileage.

Respectfully yours,

CHAUNCEY KELSEY,

Auditor.

A—General Balance Sheet, December 31, 1889.

To Cost of Road and Equipment.....	\$29,383,792 60	By Income Account.....	\$14,115,000 00	\$2,715,890 13
To Construction of Upper Alton Line.....	316,361 43	By Capital Stock, Common.....	3,479,500 00	
To Construction of Coal City Branch.....	690,419 34	By First Mortgage Bonds.....	2,983,000 00	
To Construction of Western Division.....	1,116,724 91	By Consolidated Sterling Bonds.....	4,379,350 00	
To Construction of Louisiana Branch.....	1,389,537 92	By St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds, Account Louisiana Branch.....	564,000 00	
To Cost of St. L., J. & C. R. R. Bonds Assumed.....	2,407,000 00	By St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds, Account Louisiana Branch.....	188,000 00	
To St. L., J. & C. R. R. Co.'s Preferred Stock.....	1,054,100 00	By St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds, Account Louisiana Branch.....	2,865,000 00	
To St. L., J. & C. R. R. Co.'s Common Stock.....	1,613,100 00	By St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds, Account Main Line.....	42,000 00	
To Original Cost of the Joliet & Chicago R. R.....		By Joliet & Chicago R. R. Stock on which C. & A. guarantee 7 per cent. per annum dividend.....	1,500,000 00	27,516,380 00
To Cash on Hand and on Call.....	1,370,384 43	By Joliet & Chicago R. R. Bonds, paid and canceled.....	500,000 00	
To Due from Agents, Cash in Transit.....		By Mississippi River Bridge Stock, Guaranteed.....	300,000 00	2,000,000 00
To Supplies for Current Operations, R. R. Department.....	\$126,761 60	By Mississippi River Bridge Bonds, Assumed (now outstanding).....	632,000 00	
To Supplies for Current Operations, Car and Locomotive Departments.....	195,159 81	By Mississippi River Bridge Bonds, p'd and cancel'd.....	63,000 00	1,000,000 00
To Machinery and Tools in Machine Shops.....	245,304 81	By Vouchers and Pay Rolls for Dec., 1889, due Jan., 1890.....	453,851 45	
To Machinery and Tools in Car Shops.....	76,398 73	By Wages Checks issued prior to Dec. 1, 1889, not presented.....	26,306 74	
To Kansas City, St. Louis & Chicago R. R. Co.'s Common Stock.....	\$157,600 00	By Unpaid Wages, due prior to Dec. 1, 1889, not claimed.....	54,018 85	544,177 04
To Louisiana & Missouri River R. R. Co.'s Second Mortgage Bonds.....	70,000 00	By Sinking Fund Gold Bonds.....	2,305,000 00	
To St. Louis Music Hall & Exposition Stock.....	5,000 00	By Sinking Fund Gold Bonds, redeemed and canceled.....	695,000 00	3,000,000 00
To Inter-State Industrial Exposition Stock.....	1,000 00	By First Mortgage Sinking Fund Bonds, Paid and Mortgage Discharged.....		600,000 00
To Louisiana & Mo. River R. R. Co.'s First Mortgage Bonds.....	84,210 00	By Louisiana & Missouri River R. R. Bond Account.....		439,100 00
To St. L., J. & C. R. R. Co.'s First Mortgage Bonds.....	43,823 13	By New Common Stock Unleashed.....		1,500 00
To Kansas City Union Depot.....	21,000 00	By Unclaimed Coupons.....		55 30
To Kansas City St. L. & C. R. R. Co.'s First Mortgage Bonds.....		By Unclaimed Dividends.....		733 70
To Mississippi River Bridge Co.'s Bonds owned by C. & A. R. R.....	170,000 00	By Missing Sinking Fund Coupons.....		70 00
To Illinois Trust & Savings Bank, Common Stock in Trust.....		By Mississippi River Bridge Co., Balance Sinking Fund Unapropriated.....		90 00
To United States Trust Co., Sinking Fund.....	1,500 00	By accrued Rent not yet due Kansas City, St. Louis & Chicago R. R. Co.....	255,969 83	
To Ellis Receivable: Includes Note of Louisiana & Missouri River R. R. Co. for \$61,532.45, of Dec. 1, 1877.....	94,503 25	By accrued Rent not yet due Louisiana & Missouri River R. R. Co.....	52,854 17	
To United States Government Post Office Department.....	86,562 78	By Unexpended Appropriation for Real Estate in Chicago.....		106,084 00
To "Odell Property" Trustee.....	\$ 5,000 00	By Amount due to Individuals and Companies.....		130,000 00
To Grundy County Lands, Trustee.....	70,000 00			418,708 64
To Kansas City, St. Louis & Chicago Construction.....				\$36,464,604 90
To Amount due from Individuals and Companies.....	6,168 85			
	161,510 56			
	\$36,464,604 90			

B—Income Account, December 31, 1889.

To Dividend on Preferred and Common Stock.....	\$1,407,712 00	By Balance from 1888.....	\$2,506,980 04
To First Mortgage Coupons, due July 1st.....	\$ 88,405 00	By Dividend, Industrial Exposition Stock.....	70 00
To First Mortgage Coupons, due January 1st.....	88,405 00	By Louisiana & Missouri River R. R. Coupons, due May 1st.....	\$ 2,450 00
To Consolidated Bonds; Coupons, due July 1st.....	183,418 48	By Louisiana & Missouri River R. R. Coupons, due November 1st.....	2,450 00
To Consolidated Bonds; Coupons, due January 1st.....	183,259 50	By K. C., St. L. & C. R. R. Coupons, due May 1st.....	4,900 00
To Sinking Fund Gold Bonds; Coupons, due May 1st.....	69,570 00	By K. C., St. L. & C. R. R. Coupons, due Nov. 1st.....	310,000 00
To Sinking Fund Gold Bonds; Coupons, due Nov. 1st.....	69,570 00	By K. C., St. L. & C. R. R. Dividend on Stock, May 1st.....	5,516 00
To St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds; Coupons, due April 1st.....	102,515 00	By K. C., St. L. & C. R. R. Dividend on Stock, November 1st.....	5,516 00
To St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds; Coupons, due October 1st.....	102,515 00	By Mississippi River Bridge, Dividend on Stock.....	21,000 00
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds; Coupons, due July 1st.....	8,050 00	By Mississippi River Bridge Bonds; Coupons, due May 1st.....	5,490 00
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds; Coupons, due January 1st.....	8,050 00	By Mississippi River Bridge Bonds; Coupons, due Nov. 1st.....	5,490 00
To Louisiana & Missouri River R. R. First Mortgage Bonds; Coupons, due February 1st.....	15,868 50	By St. Louis, Jacksonville & Chicago R. R., for Interest on First Mortgage Bonds.....	31,960 00
To Louisiana & Missouri River R. R. First Mortgage Bonds; Coupons, due August 1st.....	15,868 50	By Louisiana & Missouri River R. R., for Interest on First Mortgage Bonds.....	2,060 00
To Sinking Fund Gold Bonds, Purchased (24).....	\$106,000 00	By Interest on Note of Louisiana & Missouri River R. R. Note of Dec. 1st, 1877, to July 1st.....	4,900 00
To Rentals—Joliet & Chicago R. R.....	71,000 00	By Rents, etc., from Grundy County Lands.....	5,749 50
La. & Mo. R. R.....	156,486 54	By United States Trust Co., Interest on Account.....	1,198 62
K. C., St. L. & C. R. R.....	885,991 36	By Operating Receipts.....	1,479 61
To Additional Property.....	669,477 90		7,516,616 44
To Profit and Loss.....	39,809 54		
To Operating Expenses.....	6,069 68		
To Unexpended Appropriations for Real Estate in Chicago.....	4,571,738 99		
To Balance.....	120,000 00		
	2,715,890 12		
	<u>\$10,386,180 21</u>		<u>\$10,386,180 21</u>

D—Gross Earnings from Traffic for the Year ending December 31st, 1889.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January.....	\$155,113 22	\$309,957 71	\$31,146 25	\$496,217 18
February.....	139,967 51	852,988 15	28,486 38	521,441 99
March.....	164,690 18	820,124 65	33,988 28	518,803 06
April.....	175,057 32	813,759 04	29,184 86	518,001 22
May.....	180,041 25	860,886 41	28,712 55	569,590 21
June.....	188,284 40	361,510 74	31,149 95	580,945 09
July.....	196,748 22	455,457 17	28,250 43	680,450 82
August.....	220,826 64	544,744 04	31,137 92	796,708 60
September.....	228,701 18	525,257 65	31,225 39	785,184 22
October.....	230,078 65	527,998 54	30,612 50	788,689 69
November.....	172,664 07	457,667 08	29,948 47	660,279 62
December.....	166,585 31	401,995 65	31,778 78	600,304 74
Totals for Year ...	\$2,218,702 90	\$4,932,296 83	\$365,616 71	\$7,516,616 44

E — Monthly Earnings of The Chicago & Alton Railroad Company.

Months.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.
January	\$524,054 42	\$499,130 16	\$535,329 61	\$646,336 29	\$666,641 80	\$646,334 70	\$537,840 75	\$672,509 42	\$605,378 02	\$496,217 18
February	497,013 47	474,318 06	517,896 81	537,353 68	573,284 25	537,322 44	542,136 74	584,409 35	486,462 93	521,441 99
March	636,473 11	539,914 97	588,699 98	686,694 13	697,918 46	680,850 56	612,647 11	715,754 86	537,387 08	518,503 06
April	542,960 64	553,189 72	564,860 75	600,877 77	607,361 18	591,636 62	576,634 24	664,049 34	552,376 88	513,301 22
May	616,128 16	548,555 45	559,577 19	646,739 67	632,661 51	591,091 00	596,364 69	631,018 64	600,081 12	569,590 21
June	617,523 94	633,359 58	617,250 46	667,507 81	668,069 74	591,300 21	637,464 04	717,159 53	585,280 63	590,943 09
July	708,906 28	676,204 74	702,635 46	731,502 96	730,944 17	668,362 70	715,166 75	817,640 78	631,645 11	680,450 83
August	761,119 69	766,751 47	856,397 85	896,556 44	859,908 55	733,004 68	741,261 54	864,900 93	738,618 68	704,708 60
September	767,348 64	774,790 21	912,691 79	924,945 57	916,964 08	755,385 26	777,413 50	843,061 93	716,376 65	785,184 22
October	738,199 16	771,843 58	858,673 70	901,618 75	859,087 23	767,046 81	808,942 32	903,373 17	805,351 01	768,669 69
November	696,775 53	673,380 22	749,915 59	801,187 33	733,856 74	733,058 28	758,417 26	801,880 07	630,421 96	660,279 63
December	543,722 99	646,813 97	701,065 80	749,319 96	692,711 51	703,925 87	737,131 51	746,599 29	601,643 15	600,304 74
Total	\$7,687,325 98	\$7,557,740 42	\$8,215,495 13	\$8,810,610 88	\$8,709,274 29	\$7,998,169 33	\$8,080,839 34	\$8,941,366 81	\$7,511,465 19	\$7,515,616 44
Expenses, including taxes, }	\$4,309,241 27	\$4,327,375 00	\$4,654,503 50	\$5,097,083 63	\$5,138,700 16	\$4,612,547 40	\$4,650,955 18	\$5,270,302 84	\$4,663,064 45	\$4,371,735 99
Profits	\$3,377,984 71	\$3,230,365 42	\$3,530,991 63	\$3,713,527 25	\$3,570,574 08	\$3,385,621 93	\$3,429,884 16	\$3,671,063 97	\$2,848,380 74	\$3,144,880 45

F—Statement of Passenger Statistics and Comparisons.

DESCRIPTION.	1886.	1887.	1888.	1889.	INCREASE.	DECREASE.	PER CENT.
Total Number of Passengers Transported.....	1,735,549	1,765,196	1,830,535	1,717,678	.....	112,857	06.166
Total Number of Through Passengers.....	134,248	147,754	147,825	118,210	.....	29,615	20.100
Total Number of Local Passengers.....	1,601,301	1,617,442	1,682,710	1,599,468	.....	83,242	04.847
Percentage of Local Passengers to Whole Number.....	92.266	91.089	91.946	93.108	1.194	.....	01.298
Percentage of Through Passengers to Whole Number.....	7.734	8.911	8.054	6.892	1.000	.....	14.100
Number of Local Passengers Moved North.....	789,352	796,818	832,198	798,203	.....	33,995	04.100
Number of Local Passengers Moved South.....	811,949	820,624	850,512	801,265	.....	49,247	05.100
Number of Through Passengers Moved North.....	64,424	70,719	71,160	58,346	.....	12,814	18.100
Number of Through Passengers Moved South.....	69,824	77,035	76,665	59,864	.....	16,801	21.100
Number of Passengers Carried One Mile.....	114,250,157	120,001,687	118,007,585	104,000,108	.....	14,007,477	11.100
Average Distance Traveled by Each Passenger.....	65.329	67.982	64.456	60.546	.....	3.829	06.081
Number of Local Passengers Carried One Mile.....	65,670,488	67,798,206	65,370,465	61,927,225	.....	3,443,240	05.166
Average Distance Traveled by Each Local Passenger.....	41.011	41.106	38.848	38.817	.....	1.231	00.337
Average Rate Paid per Mile by all Passengers.....	2.022	2.062	1.882	2.133	25.1	.....	13.336
Average Rate Paid per Mile by Local Passengers.....	2.000	2.000	1.700	2.100	10.0	.....	08.100
Average Rate Paid per Mile by Through Passengers.....	1.999	1.816	1.803	1.804	10.0	.....	19.333
Average Number of Passengers Carried per Mile.....	66.106	68.106	60.133	51.030	.....	9.106	15.883
Average Fare Paid by Each Passenger.....	\$1.33	\$1.40	\$1.21	\$1.29	.08	.....	06.100
Number of Pieces of Baggage Handled.....	785,968	862,451	885,365	872,183	.....	13,182	01.466
Earnings from Excess Baggage.....	\$ 22,175 05	\$ 22,284 20	\$ 25,377 55	\$ 22,989 36	.....	\$2,388 19	09.100

G—Freight Statistics and Comparisons.

	1885.	1886.	1887.	1888.	1889.	INCREASE.	DECREASE.	PER CENT.
Tonnage of Freight Transported.....	3,631,108	3,651,101	4,123,120	3,785,160	3,461,391	.....	323,769	08.554
Tonnage of Local Freight.....	2,741,801	2,713,446	3,083,412	2,984,774	2,620,834	.....	363,940	12.793
Percentage of Whole Tonnage—Local	75.50	74.32	74.78	78.85	75.78	.....	03.13	03.166
Tonnage of Through Freight.....	889,307	937,654	1,039,708	800,386	840,557	40,171	.....	05.012
Percentage of Whole Tonnage—Through.....	24.49	25.68	25.22	21.15	24.22	03.06	.....	14.000
Revenue Freight Carried One Mile, in Tons.....	538,522,498	560,824,279	641,651,562	533,866,327	537,301,926	3,435,599	.....	00.544
Average Rate per Ton per Mile on Revenue Freight.....	01.09	00.961	00.946	00.918	00.900	.....	.....	.....
Average Distance each Ton was Carried.....	148.038	153.000	155.000	141.000	155.000	14.000	.....	10.000

ARTICLES.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	INCREASE.	DECREASE.
Merchandise and Sundries.									
Iron.	518,689	580,136	613,731	747,982	914,995	764,835	882,019	57,384	.....
"	117,188	150,570	189,013	189,013	189,013	95,884	169,146	83,312	.....
"	1,416,850	1,276,890	1,380,955	1,893,613	1,883,975	1,630,895	1,000,085	.....	632,740
Straw and Mill Stuffs.	34,704	32,740	48,769	83,963	98,135	48,407	35,585	.....	1,688
"	3,553	4,733	5,718	2,553	3,950	1,710	1,302	.....	408
Hides.	3,913	3,180	3,915	3,553	3,950	1,710	1,302	.....	7
Broom Corn.	2,800	2,800	1,912	3,548	3,548	2,148	2,087	.....	58
"	17,883	19,391	27,250	96,911	98,914	82,480	97,792	.....	4,788
Brick and Sand	10,176	10,253	16,724	135,536	135,536	135,910	131,063	.....	8,113
"	72,354	70,587	5,876	8,774	10,573	12,702	12,507	.....	12,345
Stone	72,354	70,587	5,876	78,157	10,573	13,279	13,437	.....	.....
Bushels.	5,335,811	6,520,064	9,523,663	8,433,086	3,841,189	4,615,312	5,379,714	.....	30,943
"	10,396,499	10,402,786	8,143,313	3,926,134	4,752,001	5,120,117	8,784,757	.....	764,892
"	2,654,779	3,354,407	3,535,310	3,535,310	4,254,230	4,950,468	3,236,620	.....	3,236,620
"	280,900	311,563	433,628	515,576	606,540	1,053,168	4,784,976	.....	606,575
"	368,273	135,459	61,308	54,332	23,716	103,641	183,163	.....	84,522
"	493,190	61,415	223,028	294,210	235,715	298,970	323,416	.....	56,536
Barrels.	534,090	643,080	521,343	471,763	521,343	509,794	491,813	.....	17,913
"	12,866	16,194	14,454	57	91,777	6,973	11,811	.....	4,388
"	19,343	65,570	61,331	4,492	78,674	84,296	372,860	.....	372,860
"	99,952	65,570	61,331	110,763	78,674	32,774	121,069	.....	35,774
"	67,213	116,083	41,462	85,111	67,331	2,738	53,289	.....	21,461
"	59,899	97,406	66,579	66,579	67,331	67,033	48,658	.....	.....
"	166,066,815	182,326,340	139,435,968	141,279,004	180,063,903	102,459,384	88,270,225	.....	18,370
"	2,492	16,179	15,821	127	251	3,211	9,649	.....	19,160,369
"	14,837	16,179	15,821	12,019	10,699	15,069	8,174	.....	6,438
"	290,813	398,024	384,185	358,676	472,433	519,013	447,746	.....	5,885
"	778,631	960,017	1,031,326	798,650	657,658	685,232	676,354	.....	71,367
"	107,630	107,630	107,630	96,414	165,016	833,041	306,785	.....	22,946
"	17,013	15,261	14,584	20,988	24,254	34,407	30,061	.....	1,644
"	611,796	618,176	547,776	560,960	662,272	709,136	881,157	.....	123,081
"	3,261	6,569	2,796	236	236	29,261	23,384	.....	6,877
"	11,961	10,036	20,068	25,402	37,938	1,463	12,894	.....	.....
"	142,705	142,988	4,943	903,671	216,145	18,222	64,068	.....	83,806
"	1,267	878	300	2,145	4,579	1,291	1,100	.....	191
"	4,396	6,731	3,044	6,288	26	1,892	3,796	.....	1,994
"	12,838	10,964	11,632	7,395	7,963	7,643	10,623	.....	2,409
"	13,833	11,557	8,043	11,757	10,277	9,968	8,773	.....	1,185
"	4,888	6,025	8,896	7,052	6,694	9,379	9,047	.....	289
Straw Board.									

I—Statement of Gross Earnings from Shipments of Farm Products in Illinois.

YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent of Gross Earnings from Shipments in Illinois.	Per cent of Gross Earnings from Shipments in Illinois.
1881.....	\$ 78,384 00	\$347,367 00	\$65,560 00	\$ 81,817 00	\$162,431 00	\$63,735 00	\$799,824 00	18.75	18.75
1882.....	109,146 00	322,743 00	66,688 00	84,575 00	183,850 00	50,811 00	768,818 00	16.75	12.75
1883.....	90,471 24	138,100 54	69,497 54	96,225 00	103,700 00	78,798 58	576,792 90	12.75	09.75
1884.....	79,655 11	110,162 81	85,120 19	88,775 00	118,800 00	46,101 58	528,814 67	12.75	08.75
1885.....	83,203 09	186,251 78	103,624 74	90,200 00	139,650 00	56,950 23	699,919 88	14.75	10.75
1886.....	88,425 86	242,810 10	107,811 17	106,475 00	125,225 00	40,501 84	710,747 97	18.75	12.75
1887.....	158,953 71	193,323 60	113,517 67	97,125 00	99,175 00	51,845 87	712,440 85	16.75	11.75
1888.....	176,538 69	199,047 18	148,845 50	74,200 00	97,850 00	73,640 01	769,141 88	20.75	13.75
1889.....	144,851 76	815,535 92	136,829 17	100,975 00	80,825 00	77,656 10	855,873 95	22.75	16.75
Increase in 1889..	.....	116,438 74	.....	26,475 00	.....	4,016 09	86,281 57	02.75	01.75
Decrease in 1889..	81,706 93	.....	12,016 83	.....	17,025 00	.....	.....	.....	.....

J—Statement of Gross Earnings from Shipments of Farm Products in Missouri.

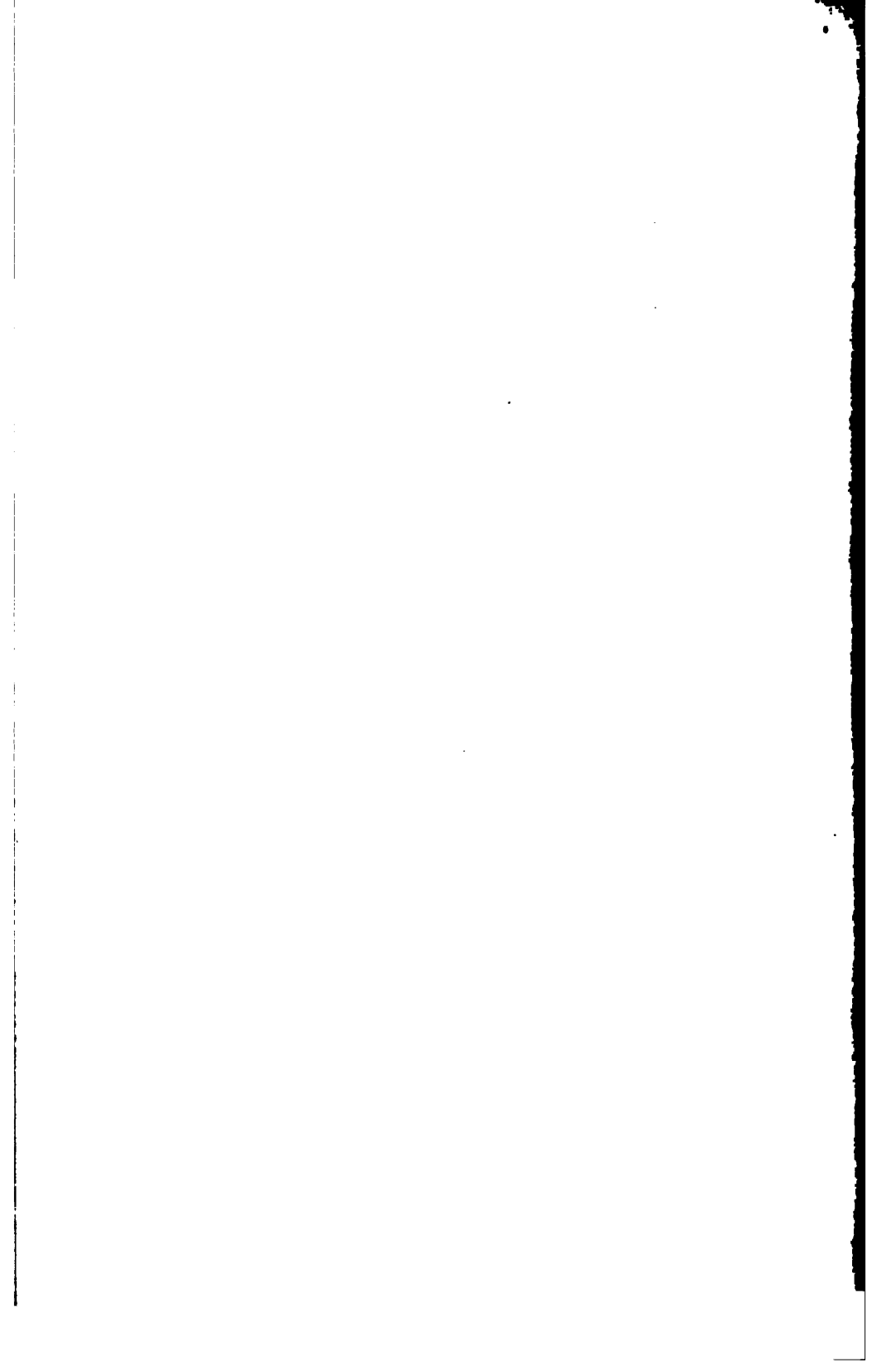
YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent of Gross Earnings on Fr-t Traffic in Missouri.	Per cent of Gross Earnings on all Traffic in Missouri.
1881.....	\$ 49,340 00	\$ 22,680 00	\$ 8,700 00	\$107,131 00	\$92,348 00	\$21,480 00	\$301,662 00	23.8%	17.1%
1882.....	177,281 00	37,651 00	12,615 00	67,920 00	62,440 00	89,567 00	397,424 00	29.7%	20.7%
1883.....	122,626 55	114,932 34	11,447 70	109,080 00	75,960 00	20,992 73	455,039 32	26.7%	18.7%
1884.....	106,493 29	42,416 77	9,824 26	81,440 00	84,440 00	16,042 17	340,656 49	19.1%	13.4%
1885.....	50,473 04	29,972 42	8,281 03	104,560 00	78,640 00	15,446 01	292,872 50	20.3%	18.7%
1886.....	71,187 44	21,751 91	7,863 44	108,880 00	77,640 00	25,219 10	307,541 89	20.7%	18.7%
1887.....	140,675 58	9,084 75	25,586 66	90,080 00	58,240 00	28,894 22	352,561 21	20.7%	14.1%
1888.....	95,287 68	27,959 20	23,080 69	100,880 00	66,400 00	20,052 20	333,659 77	29.3%	18.7%
1889.....	135,550 02	16,993 13	15,738 96	115,720 00	81,640 00	24,493 45	390,045 56	38.7%	21.7%
Increase in 1889.....	40,262 34	.....	.....	14,840 00	15,240 00	4,851 25	56,385 79	03.1%	03.1%
Decrease in 1889.....	.....	10,966 07	7,311 78	.....	.....	.....	.....	.....	.....

K—Mileage of Cars and Details of Mileage, 1888 and 1889.

	1888.	1889.	INCREASE.	DECREASE.	PER CENT.
Miles run by C. & A. Sleeping Cars on C. & A. R. R.....	1,537,303	1,723,363	186,060	.....	12.13
Miles run by Foreign Sleeping Cars on C. & A. R. R.....	312,733	423,302	110,569	.....	35.36
Miles run by Dining Cars on C. & A. R. R.....	213,592	238,506	24,914	.....	11.66
Miles run by C. & A. Coaches on C. & A. R. R.....	5,830,313	5,403,068	.....	367,245	6.31
Miles run by C. & A. Coaches on Foreign Roads.....	62,195	48,621	.....	13,574	21.86
Miles run by Foreign Coaches on C. & A. R. R.....	74,764	201,369	126,605	.....	1.69
Miles run by Pay Car.....	29,696	31,579	1,883	.....	6.35
Miles run by C. & A. Mail, Express and Postal Cars on C. & A. R. R.	2,744,896	2,896,603	151,707	.....	5.53
Miles run by Foreign Baggage, Mail and Ex. Cars on C. & A. R. R.	4,882	6,342	1,460	.....	29.88
Number of C. & A. R. R. Cars hauled Loaded, in Regular Service	553,826	494,931	.....	58,895	10.64
Mileage of C. & A. R. R. Cars hauled Loaded, in Regular Service.	31,966,187	29,381,204	.....	2,584,983	8.11
Number of C. & A. R. R. Cars hauled Empty, in Regular Service.	304,686	265,271	.....	39,415	12.93
Mileage of C. & A. R. R. Cars hauled Empty, in Regular Service.	16,301,750	14,512,913	.....	1,788,837	10.97
Number of C. & A. R. R. Cars hauled Loaded, in Construction Trains	66,638	39,910	.....	26,728	40.13
Mileage of C. & A. R. R. Cars hauled Loaded, in Construction Trains	2,048,540	1,191,231	.....	857,309	41.84
Number of C. & A. R. R. Cars hauled Empty, in Construction Trains	69,552	40,287	.....	29,265	42.06
Mileage of C. & A. R. R. Cars hauled Empty, in Construction Trains	2,135,418	1,192,366	.....	943,052	44.18
Number of Foreign and Line Cars hauled Loaded.....	257,751	250,512	.....	7,239	2.81
Mileage of Foreign and Line Cars hauled Loaded.....	16,068,854	16,178,357	109,503	.....	0.68
Number of Foreign and Line Cars hauled Empty.....	166,129	152,604	.....	13,525	8.14
Mileage of Foreign and Line Cars hauled Empty.....	9,462,738	9,254,291	.....	208,447	2.21
Whole Number of Loaded Cars hauled, in Regular Service.....	811,577	745,443	.....	66,134	8.15
Mileage of Loaded Cars hauled, in Regular Service.....	48,035,041	45,559,561	.....	2,475,480	5.13
Whole Number of Empty Cars hauled, in Regular Service.....	470,815	417,875	.....	52,940	11.24
Mileage of Empty Cars hauled, in Regular Service.....	25,764,488	23,767,204	.....	1,997,284	7.75

K—Mileage of Cars, etc.—(Continued.)

	1888.	1889.	INCREASE.	DECREASE.	PER CENT.
Whole Number of Cars hauled, in Regular Service, Loaded and Empty.....	1,282,392	1,163,318	.....	119,074	09.855 10000
Total Freight Mileage, Cars hauled, in Regular Service, Loaded and Empty.....	73,799,529	69,326,765	.....	4,472,764	06.111 10000
Per Cent. of whole Mileage, Loaded.....	65.088 10000	65.111 10000	.....	.....	00.023 10000
Per Cent. of whole Mileage, Empty.....	34.912 10000	34.889 10000	.....	.....	01.023 10000
Mileage of C. & A. Cars on Foreign Roads.....	25,062,827	23,701,046	.....	1,361,781	05.100 10000
Total Mileage of C. & A. Freight Cars.....	77,514,722	69,978,760	.....	7,535,962	09.132 10000
Average Revenue Tonnage of each Loaded Car hauled, in Regular Service.....	11.114 10000	11.123 10000	.....	.....	06.100 10000
Average Revenue Tonnage of each Car hauled, in Regular Service, Loaded and Empty.....	7.854 10000	7.750 10000	.....	.....	07.132 10000
Tonnage of Company's Freight not embraced in above figures...	264,468	228,063	36,405	13.156 10000







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TWENTY-EIGHTH ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

CHICAGO & ALTON

RAILROAD COMPANY,

FOR THE

YEAR ENDING DECEMBER 31, 1890.

ISSUED FEBRUARY, 1891.

CHICAGO:

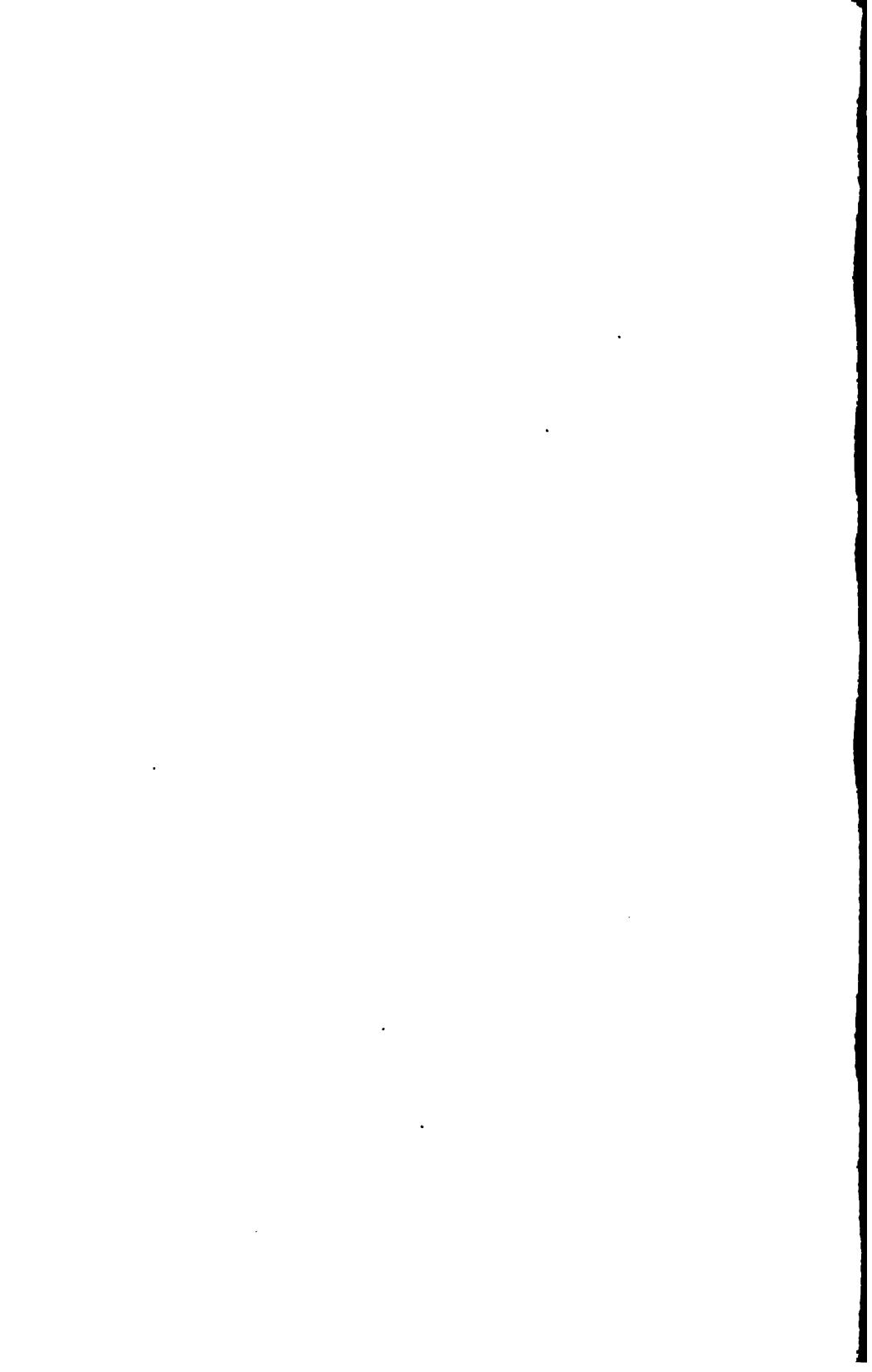
BLISS, McNAUL & Co., PRINTERS, 105-173 ADAMS ST.

1891.

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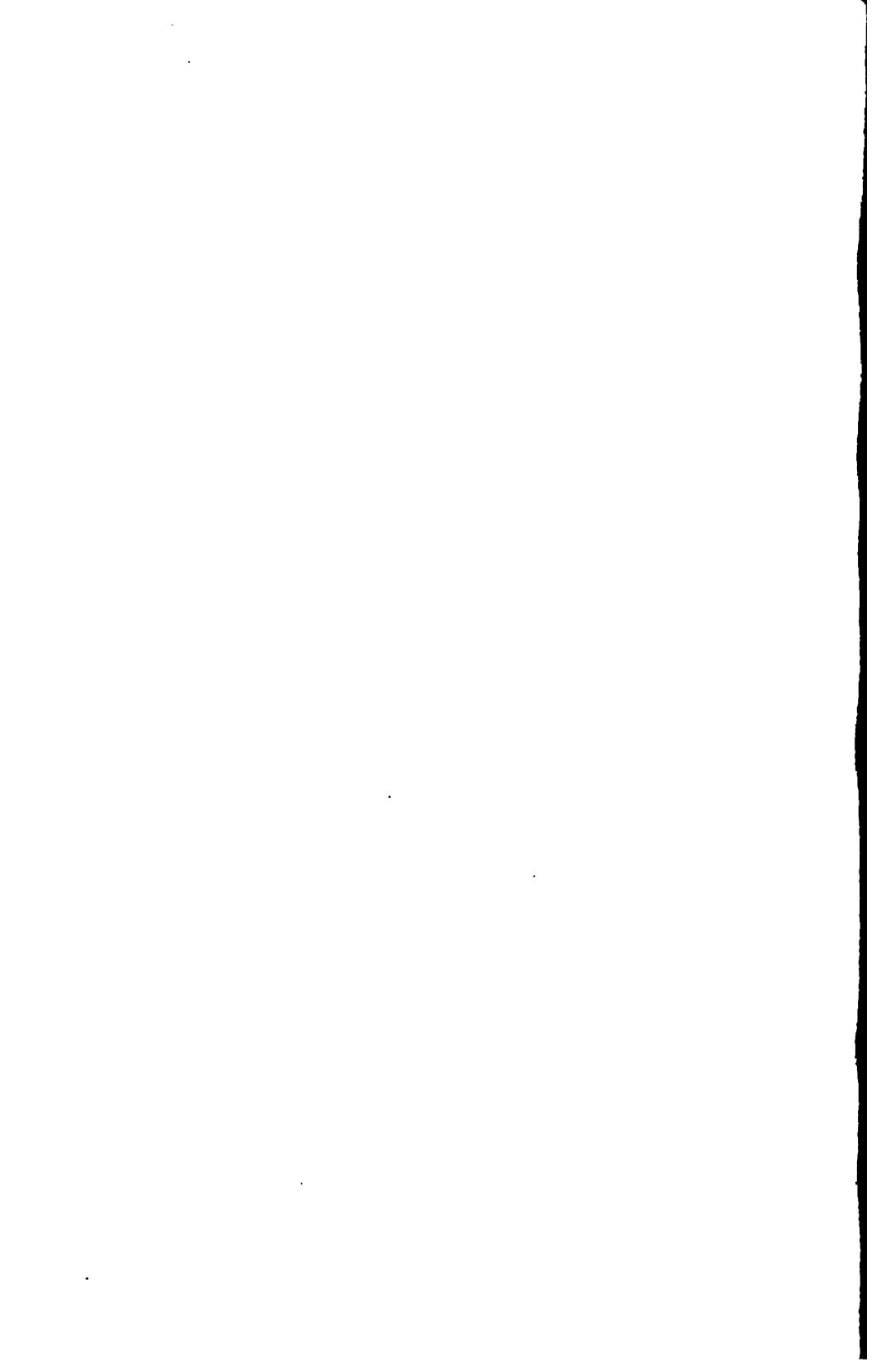


DIRECTORS.

JOHN J. MITCHELL.....	St. Louis, Mo.	} Term of Service Expires first Monday in April, 1891.
W. N. BLACKSTONE.....	NORWICH, CONN.	
A. C. BARTLETT.....	CHICAGO, ILL.	
T. B. BLACKSTONE.....	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1892.
JOHN B. DRAKE.....	CHICAGO, ILL.	
MORRIS K. JESUP.....	NEW YORK.	
JAMES C. McMULLIN	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1893.
JOHN A. STEWART.....	NEW YORK.	
ALBERT A. SPRAGUE	CHICAGO, ILL.	

OFFICERS.

T. B. BLACKSTONE.....	<i>President.</i>
J. C. McMULLIN.....	<i>Vice-President.</i>
CHARLES H. FOSTER.....	<i>Secretary and Treasurer.</i>
CHAUNCEY KELSEY.....	<i>Auditor.</i>
WILLIAM BROWN.....	<i>General Solicitor.</i>
CHARLES H. CHAPPELL....	<i>General Manager.</i>
T. M. BATES.....	<i>Superintendent of Transportation.</i>
J. H. WOOD.	<i>General Manager's Assistant.</i>
H. H. COURTRIGHT.....	<i>General Freight Agent.</i>
JAMES CHARLTON.....	<i>General Passenger and Ticket Agent.</i>
K. F. BOOTH.....	<i>Chief Engineer.</i>
A. W. QUACKENBUSH.....	<i>Superintendent of Machinery and Cars.</i>
A. V. HARTWELL	<i>Purchasing Agent.</i>
A. M. RICHARDS.....	} <i>Division Superintendents.</i>
W. K. MORLEY	



DIRECTORS' TWENTY-EIGHTH ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company:

The Board of Directors submit the following Report for the year ending December 31, A. D. 1890:

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS.		
Chicago to East St. Louis.....	280.70	82.08	110.06	472.79
Coal City Line.....	29.76	.....	9.98	89.69
Dwight to Washington and Lacon.....	79.80	.....	6.60	86.40
Roodhouse to Kansas City.....	250.42	1.17	62.29	313.88
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.....	158.00	.....	19.00	177.00
Mexico to Cedar City.....	50.00	.....	8.49	58.49
Total Miles.....	848.68	88.20	211.87	1,148.25

The length of second main tracks has been increased during the year $7\frac{79}{100}$ miles—by the construction of $7\frac{10}{100}$ miles between Bloomington and Towanda, and $\frac{69}{100}$ miles near 23d Street in Chicago.

The length of side tracks has been increased $2\frac{81}{100}$ miles during the year.

In the main and side tracks on your road at the close of the year were $1097\frac{88}{100}$ miles of track laid with steel rails, and $45\frac{8}{100}$ miles of track laid with iron rails.

All main tracks on main lines and nearly all side tracks used for passing trains are laid with steel rails. The standard weight for steel rails on your road is 70 lbs. per yard.

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares.....	14,115,000 00
Total amount of Stock.....	\$17,594,500 00

MORTGAGE BONDS AND OTHER OBLIGATIONS.

First Mortgage Chicago & Alton 7 per cent. Bonds, due January 1, 1898.....	\$2,888,000 00
St. Louis, Jacksonville & Chicago Railroad First Mortgage 7 per cent. Bonds, due April 1, 1894, assumed by your Company.....	2,929,000 00
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Bonds, due July 1, 1898, assumed by your Company.....	280,000 00
Louisiana & Missouri River Railroad Company's First Mortgage 7 per cent. Bonds, due August 1, 1900, assumed by your Company in settlement of Accounts under Contract for Construction, dated July 5, A. D. 1870.....	439,100 00
Chicago & Alton Sinking Fund 6 per cent. Gold Bonds, due May 1, 1908.....	2,149,000 00
Consolidated Chicago & Alton 6 per cent. Sterling Bonds, due July 1, 1908—£900,000, say.....	4,879,850 00
Mississippi River Bridge Company's First Mortgage Sinking Fund 6 per cent. Bonds, due October 1, 1912, assumed by your Company under terms of lease....	620,000 00
Total amount of Bonds.....	\$18,129,950 00

Joliet and Chicago Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed, \$1,500,000 00	
Mississippi River Bridge Company's Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	800,000 00
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent. annual dividends are guaranteed, 1,750,000 00	
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent. per annum, are contingent upon gross earnings....	271,700 00 8,821,700 00
Total.....	\$24,546,150 00

The Louisiana & Missouri River Railroad is operated by your Company under a lease, which, by its terms, is to continue one thousand years from the first day of August, A. D. 1870. The lease provides that each year all taxes and assessments shall be deducted from the gross earnings of the road, and 35 per cent. of the remainder shall be the amount of rent for that year.

All lines of railway operated by your Company, except the one last referred to, its bridges over the Mississippi and Missouri Rivers, and other property pertaining to such lines, are owned by it subject to the several mortgages and other obligations above stated, although in some cases the property is held under perpetual lease, and the amount paid as rent is a fixed charge.

Fifteen shares of the common stock of the St. Louis, Jacksonville & Chicago Railroad Company, pursuant to the agreement between that Company and the Chicago & Alton Railroad Company, dated April 14, 1884, remain unexchanged.

One Hundred and Fifty-six Thousand Dollars of the 6 per cent. Sinking Fund Gold Bonds of your Company were canceled, on account Sinking Fund, and Twelve Thousand Dollars of the Bonds of the Mississippi River Bridge Company have been redeemed and canceled, on account of Sinking Fund, during the year.

REVENUE.

The Gross Earnings from Traffic, and Interest on temporary investments of surplus, during the last year were	\$7,389,250 58
The Total Disbursements during the same period for Operating Expenses, Taxes, Rent of Leased Lines, Interest on Bonds, and Dividends were	7,258,183 77
Balance	\$ 81,116 81

INCOME ACCOUNT.

By Balance December 31, 1889	\$2,715,890 12
By Interest on Bonds, Dividends on Stocks owned by your Company, and Sundry Receipts	278,497 48
By Gross Receipts from Traffic	7,065,758 15
	<u>\$10,055,140 70</u>

DISBURSEMENTS.

Interest on Funded Debt	\$ 816,161 48
Dividends	1,407,560 00
Rent paid Joliet & Chicago R. R. Co.	105,750 00
" " Louisiana & Missouri River R. R. Co.	139,469 40
" " Kansas City, St. Louis & Chicago R. R. Co.	836,191 34
" " Mississippi River Bridge Co.	71,000 00
Paid for Sinking Fund Bonds purchased	189,226 67
Paid and appropriated from this Account for Additional Property, Cars, Real Estate, New Buildings and New Tracks	184,270 73
Operating Expenses, including Taxes	<u>4,382,001 55</u>
	7,631,631 17
Balance, December 31, 1890	<u>\$2,423,509 53</u>

The credit balance of the Income Account, as shown on the preceding page, was decreased during the year \$292,380.59. The amount appropriated for Real Estate, New Tracks, New Cars, and other additional property, together with the amount paid during the year for Mortgage Bonds purchased and canceled, was \$385,497.40. The sum last named is represented by new property and reduced mortgage debt. Had no additional property been purchased and no mortgage bonds purchased and canceled, the balance of the Income Account would have been increased during the year by current revenue to the amount of \$93,116.81.

The following Tabular Statements show Earnings and Expenses in 1890, compared with Earnings and Expenses in 1889:

GROSS EARNINGS.

PER CENT.	1889.		1890.	PER CENT.
29.11%	\$2,218,702 90	From Passengers	\$2,098,759 66	29.73%
65.11%	4,982,296 83	" Freight	4,588,224 92	64.13%
02.11%	172,150 00	" Express	172,150 00	02.11%
02.11%	159,699 69	" Mails	163,582 49	02.11%
00.11%	38,767 02	" Miscellaneous	43,086 08	00.11%
	\$7,516,616 44	.....Total Earnings.....	\$7,065,753 15	

The Gross Earnings from Traffic in 1890, compared with those of 1889, were as follows :

	INCREASE.	DECREASE.	PER CENT.
From Passenger Traffic		\$119,948 24	05.13%
" Freight		344,071 91	06.11%
" Mail	\$ 3,882 80		02.11%
" Miscellaneous Sources	9,269 06		37.11%

The decrease in Gross Earnings in 1890, compared with those of the preceding year, is \$450,863.29 or 05.13% per cent.

OPERATING EXPENSES.

PER CENT.	1889.		1890.	PER CENT.
33.11%	\$1,530,736 45	For Conducting Transportation	\$1,646,648 42	37.11%
29.11%	1,358,175 99	" Motive Power	1,816,374 44	30.11%
26.11%	1,163,157 92	" Maintenance of Way	982,940 35	22.11%
11.11%	519,665 63	" Maintenance of Cars	496,088 34	09.11%
	\$4,571,735 99	.....Total.....	\$4,882,001 55	

The expenditures for operating and maintaining your railroad, compared with those of the preceding year, were as follows :

	INCREASE.	DECREASE.	PER CENT.
For Conducting Transportation	\$115,911 97		07.47%
" Motive Power.....		\$ 41,801 55	08.18%
" Maintenance of Way.....		180,217 57	15.18%
" Maintenance of Cars.....		88,627 29	16.18%

Decreased expenditures, as above, compared with those of preceding year, \$189,734.44, or 04.18% per cent.

ANALYSES OF OPERATING EXPENSES, EXCLUDING TAXES.

Per Cent.	1889.		1890.	Per Cent.
64.18%	\$2,772,962 24	Paid for Labor and Personal Services....	\$2,712,185 66	65.52%
30.12%	1,814,607 18	Paid for Stores	1,115,662 62	26.18%
05.70%	234,989 91	Insurance, Rents, Miscellaneous Expenses	807,402 80	07.18%
	\$4,822,559 33	.....Total.....	\$4,135,250 58	

The average number of men employed, including improvements, was, in 1889, four thousand one hundred and seventy-one, and in 1890, four thousand and seventy.

SUMMARY OF EARNINGS AND EXPENSES.

1889.		1890.
\$7,516,616 44	.....Earnings from all Sources	\$7,065,753 15
4,571,785 99	.....Operating Expenses	4,832,001 55
2,944,830 45	.....Net Earnings.....	2,233,751 60
60.22%	..Operating Expenses per cent. of Gross Earnings..	62.07%
Decrease in Gross Earnings.....		\$450,863 29
Decrease in Operating Expenses.....		189,734 44
Decrease in Net Earnings.....		\$261,128 85

The decrease in Net Earnings in 1890, compared with Net Earnings in 1889, is 08.84% per cent.

EARNINGS PER MILE.

1889.		1890.
\$8,856 84	.....Gross Earnings per mile of Road.....	\$8,825 58
5,886 87	.....Operating Expenses per mile of Road.....	5,163 31
\$3,469 97	.....Net Earnings per mile of Road.....	\$3,162 27

TOTAL GROSS EARNINGS FROM FARM PRODUCTS SHIPPED AT LOCAL STATIONS.

Years.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois.	Gross Earnings on Shipments of Farm Products from Local Stations in Missouri.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois and Missouri.	Per Cent. of Gross Earnings on Freight Traffic.	Per Cent. of Gross Earnings on all Traffic.
1881	\$799,324 00	\$301,662 00	\$1,100,986 00	19.85%	14.55%
1882	768,818 00	897,424 00	1,166,237 00	19.82%	14.18%
1883	576,792 90	455,089 32	1,081,882 22	16.84%	11.71%
1884	528,614 67	340,656 49	869,271 16	14.73%	09.75%
1885	599,919 83	282,372 50	882,292 33	16.21%	11.03%
1886	710,747 97	807,541 89	1,018,289 86	18.85%	12.83%
1887	712,440 85	352,561 21	1,065,002 06	17.85%	11.85%
1888	769,141 38	333,659 77	1,102,801 15	22.50%	14.81%
1889	855,872 95	390,045 56	1,245,418 51	25.25%	16.55%
1890	822,808 36	334,547 12	1,157,355 48	25.23%	16.35%
Decrease.	\$82,569 59	\$55,498 44	\$ 88,068 08	00.83%	00.18%

A fraction more than one-fourth of the Gross Earnings from Freight Traffic during the last year was derived from the transportation of Farm Products shipped at Local Stations.

The average yearly Gross Earnings from such shipments compared with the Gross Earnings from Traffic of all kinds during the last ten years is found to be 12.11% per cent. The percentage in 1890 is about 4 per cent. more than the average for the period of ten years.

Statements in detail, of which the foregoing is a summary, will be found in the Appendix to this report.

The average rate per ton per mile received for transporting freight during the last year was $\frac{8.83}{1000}$ of one cent, or $\frac{8.8}{1000}$ of a cent less than in 1889.

This apparently small reduction in the rate reduced the net earnings on the freight traffic of the road \$181,891.21.

Your rolling stock consists of two hundred and twenty-eight Locomotives, one hundred and fifty-seven Cars for use on Passenger Trains, including twenty-five Pullman Sleeping Cars, and seven thousand six hundred and forty-eight Freight Cars.

During the last year the work of ballasting was substantially completed by ballasting about twelve miles only, and as the cost of such work has each year been charged to the account of Maintenance of Way, and embraced in operating expenses, the reduced amount of ballasting done last year, compared with previous years, will account for the reduced expenditures shown under the head of Maintenance of Way, in another part of this report.

Four hundred and fifty-seven miles of track are ballasted with rock, one hundred and fifty-two miles with cinder from blast-furnaces, and two hundred and one miles with gravel.

The work of improving grades and curves, which has been carried on almost continuously, at large expense, for the last ten years, is now so nearly completed as to leave very little more work of that kind to be done.

The bridges and culverts on your road are nearly all of steel, iron, or stone.

The condition of your road has been in all respects improved from year to year for the last ten years or more, and will now, in its permanent way, bridges, structures, and rolling stock, compare favorably with the best roads in the United States.

For the efficient services rendered by your officers in the several departments, and all persons employed under their direction, our acknowledgments are due.

Your attention is invited to the Tabular Statements and Accounts which will be found in the Appendix to this report.

GENERAL REMARKS.

The conditions under which your road was operated during the first half of the last year were substantially the same as have been referred to in previous reports, and the earnings from its traffic were equal to those of the corresponding period in 1889.

The multiplication of competing railroads and the legal restrictions imposed upon railroad managers have led to a condition of railroad affairs in which strife and desperate measures to secure traffic characterize the methods of railroad management on many Western lines.

A statement of some of the circumstances which occurred during the year will account for the loss of traffic on your line during the last half of the year.

In June it became apparent that some of our competitors were favored with a large amount of traffic in Western products which were purchased, transported to market, and sold at prices necessarily involving loss to those who made such purchases and sales, if the advertised rates for transportation were paid.

Shippers of west-bound goods who had been accustomed to patronize your line received instructions from their Western customers to ship by other lines. As might be expected, shippers and consignees, when questioned, refused to state facts or make admissions which might subject them to prosecution under the law which prohibits secret rates and payment of drawbacks.)

After such shipments had been continued for several weeks, during which the managers of all the lines disclaimed all manner of secret practices, an agreement was made between your company and seven other railroad companies, which was intended to secure to each its fair share of competitive traffic, and remove all temptation to resort to secret rates. The agreement was executed July 30th, and contains, among others, the following provisions:

"It is recognized that the object sought to be obtained by the making
"of this contract is the absolute maintenance of established rates, without
"deviation of any kind or character whatsoever, including all forms of concessions, such as rebates, commissions, the issuance of free transportation, salaries, bonuses, manipulations, unauthorized street drayage, ferriage, etc.,
"or other improper means or devices for securing freight; the parties to
"this contract, hereby agreeing, between each other, to absolutely refrain
"therefrom, and that the tariff rate upon all freight covered by this agreement shall be charged and retained in all cases.

"Messrs. Walker, Midgley, Faithorn, Finley, and Goddard are therefore instructed to make such lawful arrangements as will insure to each line in interest, a proper share of the competitive freight traffic between the Southwest Missouri River points, Mississippi River, and Chicago."

This agreement was continued in force during the remainder of the year; but the several practices, which it was designed to prevent, were not discontinued, and our hopes, based upon it, fell very far short of complete realization. It is but just to state, in this connection, that we believe the Commissioners named in the agreement, while perhaps too strongly inclined to preserve peace between the parties thereto, at the expense of such lines as yours, have done all they could in their judgment lawfully do, to enforce its provisions.

We have no reason to believe that your line has, in the past, or will, at any time in the future, fail to receive a fair share of competitive traffic when published rates are maintained on competing lines as well as on your own. But to such a degree was competitive traffic diverted from your line to others by secret rates, so low that it was thought best not to meet them during nearly half the last year, that while such lines were unable to provide cars enough to promptly transport all freight offered to them, on your line, during the same period, less than one-half of your freight cars were employed.

By reason of the failure of what was known as the Presidents' Agreement, the agreement of July last was entered into by the officers of your Company with reluctance. But the demoralization in railway affairs was such, that it appeared to be the duty of every railroad company to do all it could, consistently, to restore and maintain reasonable rates for transportation, and it was hoped that the experiment would be, in some degree at least, successful.

The Inter-State Commerce Commissioners, in their Annual Report recently published, comment at considerable length upon secret rate-cutting and payment of drawbacks, and upon the difficulty in procuring evidence upon which persons violating the law, by such practices can be convicted. They say:

"The feeling among the managers of roads on this subject is very well shown by an extract from a letter of a general manager of one of the roads terminating in Chicago, who, in response to a letter from the Commission upon this subject, writes as follows:

"Referring to your complaint against railroad officials that they admit, state, and charge that the published rates are cut in violation of law, while at the same time fail and refuse to give any evidence to the Commission, I beg to say it is true that we do make such charges, and have information about such cut rates that warrants us in making them; still

"we dare not use it with the Commission or in court. The transportation of this country is handled by a comparatively small number of persons, who are all interested in getting the lowest rates possible and the greatest advantage over their competitors. These shippers we must depend upon for business, and if any railroad company or any railroad officials should go into court or before the Commission with charges that such shippers are receiving favors from other railroad companies, it would result in that railroad company or the company represented by such officials being boycotted by the majority of the shippers. In other words, they do not want the Law enforced so long as they get an advantage in its violation.)

"The.....Railroad Company and its officers desire that the Inter-State Commerce Law be enforced, but for reasons above given, we dare not use the information we receive in various ways, as to what is being done by our competitors and connections. Of course this information is not in the nature of absolute proof, but is in the nature of prices paid for commodities and the direction that traffic takes, which is not its natural channel. In some cases shippers state frankly that they are getting concessions, but of course do not divulge just how much, nor how it is done; and even were we disposed to use the information we get, I do not know that it would be competent evidence."

In commenting further on this subject the Commissioners say: "If carriers will not assist in prosecuting their rivals, still less is it to be expected that they will voluntarily furnish evidence against themselves when the acts with which they are accused are criminal in their nature."

It is impossible for those who comply with the law to compete successfully with those who violate it, but we have reason to hope that it will be hereafter more generally observed than it has been during the last year.

Among the most important decisions relating to railroads by Courts during the last year, are those of the cases between the State of Minnesota and The Chicago, Milwaukee & St. Paul, and the Minneapolis & Eastern Railroad Companies; which were decided by the Supreme Court of the United States on the 24th day of March last.

In delivering the decision of the Court in one of these cases upon points to which we wish to call your attention, Mr. Justice Blatchford used the following words:

"The question of the reasonableness of a rate of charge for transportation by a railroad company, involving as it does, the element of reasonableness, both as regards the company and as regards the public, is eminently a question for judicial investigation, requiring due process of law for its determination.

"If the company is deprived of the power of charging reasonable rates for the use of its property, and such deprivation takes place in the absence of an investigation by judicial machinery, it is deprived of the lawful use of its property, and thus, in substance and effect, of the property itself, without due process of law, and in violation of the Constitution of the United States; and in so far as it is thus deprived, while other persons are permitted to receive reasonable profits upon their invested capital, the company is deprived of the equal protection of the laws."

In this case Mr. Justice Bradley delivered a dissenting opinion (concurring in by Mr. Justice Gray, and Mr. Justice Lamar) in which he says:

"I can not agree with the decision of the Court in this case. It practically overrules *Munn vs. Illinois* (94 U. S. 113), and the several railroad cases that were decided at the same time."

From this statement the great importance of this decision will be realized by those whose interests have been effected by the earlier granger decisions.

The Editor of the *Railway Age* in an article under the head of "Foreclosure Sales and Receiverships," in the United States in 1890, says: "Companies which have hitherto been able to at least meet their interest obligations, have been defaulting at the rate of two per month, and passing into the hands of receivers to take their turn in the slow process of foreclosure and reorganization. Twenty-four companies, representing 3,825 miles of road, and about \$182,500,000 of debt and capital stock, have gone to forced sale, with the usual result of wiping out a large share of their securities."

During the last fifteen years in which a record of sales has been kept by the *Railway Age*, 472 railroads, representing 51,614 miles of road, have been forced to sale by foreclosure.

The roads thus sold were originally represented by \$1,559,486,333 of funded debt, and \$1,356,338,715 of capital stock.

We have no means of ascertaining precisely how much of this original stock is now represented by the reorganized companies. But, from such investigation as we have been able to make, we think it safe to say that more than eleven hundred millions of original capital stock has been wiped out by the 472 foreclosures referred to.

In a group of nine Western States (west of Indiana) in which about one-third of the whole number of miles of railroad in the United States is located, we find, according to the official reports of the several Railroad Commissions of these States for 1889 (which are the latest reports attainable at this time), that more than four-fifths of all the railroads in this group of States failed to earn any dividends for their shareholders in that year; and that the capital stock representing such non-dividend-earning

railroads, amounts to more than one thousand millions of dollars. How many thousands of poor men, women, and children have the meager earnings which have been saved or inherited by them invested and lost in such roads, and how much poverty and suffering has resulted from such loss, we have no means of estimating.

With this condition of railroad affairs officially reported to the Legislatures of such States now in session, it seems incredible; but, from information derived from newspapers and other sources, it appears that in the Legislature of each State in this group, there are one or more bills under consideration designed to still further reduce railroad earnings.

The question naturally arises as to whether the unfortunate class of persons who have paid the cost of constructing Western railroads have any property rights in such roads.

The common cry in answer to such questions has often been "Watered Stock;" but they can not be reasonably met in that way.

We have already made a statement, which is approximately correct, showing that more than eleven hundred millions of capital stock has been wiped out during the last fifteen years, and if a record could be found extending back thirty years, we have no doubt it would show that more than two thousand millions of capital stock has been foreclosed and wiped out. While we can not demonstrate the fact, we believe, from the best information we can get and from our personal knowledge of railroad affairs, which extends over a period of more than thirty years, the actual cost in cash of the railroads in the United States, far exceeds their present capitalization.

In considering the matter of shareholders' rights, much light is thrown upon the subject by the recent decision of the Supreme Court of the United States, which we have in part quoted.

Mr. Justice Bradley has said in the opinion which he delivered in that case, "When a railroad company is chartered it is for the purpose of performing a duty which belongs to the State itself. It is chartered as an agent of the State for furnishing public accommodation."

We presume no one will deny this statement made by the learned Justice. If proof on this point was needed, the kind and degree of control which the several State governments have for many years exercised over railroads, seem to leave no room for doubt as to the basis upon which they have acted.

That the obligations which exist between the States and their railway agents are in law contracts, was long since decided by the Supreme Court of the United States. In *Chicago, Burlington & Quincy vs. Iowa* (94 U. S. 155), decided in 1876, Mr. Chief Justice Waite, in delivering the opinion of the Court, says: * * * * "It is now too late to contend

"that the charter of a corporation is not a contract within the meaning of that clause of the Constitution of the United States, which prohibits a State from passing any law impairing the obligation of a contract. Whatever is granted is secured subject only to the conditions in the charter, or in the laws or constitutions which govern it."

The *essential covenant* in such contracts upon the faith of which so many thousands of millions of dollars have been invested by such agents *is, that in all cases and under all circumstances the railroad corporation shall have the right to charge and collect reasonable rates for transportation.*

It will be conceded, we have no doubt, that all parties to a contract are bound by its provisions.

We think that it should also be conceded, that neither party to a contract should be at liberty to so exercise its powers as to create conditions, the necessary effect of which is to deprive the other party of the power to charge and collect the reasonable consideration for which the contract provides; and that there should be no exception to this rule in favor of a sovereign State.

We do not doubt the right of a State—at its discretion—to take railroad property, or destroy its value for the public good. But such taking of property, or destruction of its value, should not be without proper judicial investigation, and payment of just compensation.

It may be claimed that, in some of the Western States, the right to regulate and limit charges for transportation, was reserved by such States when making contracts with railroad companies for the construction and operation of railroads, and that the railroad company is bound by its contract with the State, to abide by the judgment of the Legislatures of such States, in the matter of limiting charges for transportation. It may be claimed that, although the rule of reasonableness is to be observed, the Legislature is to be the final judge in such States, as to what is reasonable.

In the case of *Stone vs. Farmers' Loan & Trust Company* (116 U. S. 307), in which it was held that the Legislature had the power to limit and regulate rates, the following language is used by Mr. Chief Justice Waite, who delivered the opinion of the Court:

"From what has been said, it must not be inferred that this power of limitation or regulation is itself without limit. This power to regulate is not a power to destroy, and limitation is not the equivalent of confiscation. Under pretense of regulating fares and freights, the State can not require a railroad corporation to carry persons or property without reward; neither can it do that in law which amounts to a taking of private property for public use, without just compensation, or without due process of law." It would therefore appear that, unless specific rates are stated in

the charter, and become in that way part of the contract, rates, whether made from time to time by State Legislatures, Railroad Commissioners, or corporations, must be reasonable, and, in view of the recent decision quoted, what is reasonable, is a question to be finally determined by the Courts, and not by Legislatures.

It will be observed that the Supreme Court of the United States has decided in the Minnesota case, that "if the company is deprived of the "power of charging reasonable rates for the use of its property, and such "deprivation takes place in the absence of an investigation by judicial "machinery, it is deprived of the lawful use of its property, and thus, "in substance and effect, of the property itself, without due process of law "and in violation of the Constitution of the United States; and in so far "as it is thus deprived, while other persons are permitted to receive reasonable profits upon their invested capital, the company is deprived of the "equal protection of the laws."

This language, used by the learned Justices, is not only very clear and explicit as to the effect produced by depriving railroad corporations of the power to charge and collect reasonable rates for the use of their property; but we think, by fair implication, it is their judgment that such reasonable profits as other persons are permitted to receive on their invested capital, is the measure of profits which persons who invest their capital in railroads, should be permitted to receive, and that rates which may be necessary to produce that measure of profit are reasonable.

Is it possible that a rule more equitable than this can be observed?

If common carriers were permitted, as all other persons are, to sell their services for what they are worth to the public, or were free, as other persons are, to compete with each other, with no more legal restraint than is imposed upon other classes of persons, railroad earnings, under the natural laws of trade, would soon increase so as to give shareholders revenues which would be equal to the average profits of other business enterprises.

This can not be permitted. To secure to the people the great advantage of railroads over stage coaches and wagons on common roads, they must be protected by law against exorbitant and unreasonable charges for transportation. But railroad shareholders are part of the people.

Are they not equally with others entitled to protection?

Have they not stronger claims for protection than persons engaged in other business enterprises, by reason of being deprived, by State and Federal laws, of more of their natural rights than others are for the common good?

Can any good reason be given for depriving them of a fair participation in the general business prosperity of the country, or for depriving

them of the right to profit by participating in common with other classes of persons in the general increase of values of property, when the fact can not be denied, that railroads have done more than all else to increase such values?

That railroad shareholders do suffer great loss by reason of such deprivation of rights enjoyed by others, is known of all men.

Western States have authorized and encouraged the construction of parallel and competing roads in such numbers as to create conditions which render it impossible for most of the Western railroads to charge and collect reasonable rates; conditions which call into action natural laws which neither Legislatures, Railroad Commissioners, nor Courts can control. For example, the natural laws of trade which reduce prices of services and commodities, without regard to their actual cost, when the market is overstocked, and others, to which it is unnecessary to call your attention.)

This unfortunate condition of railroad affairs in the West, has been brought about mainly by reason of the several Western States having made contracts with too many agents for building and operating railroads, and in that way overstocked the market for transportation. Such agents are of two classes.

The class of agents employed to build the older roads, constructed such as were needed for the development of the country and for needed transportation facilities. If no more railroads had been constructed until needed for such purposes, we have no doubt railroad property in the West would have been long ago, and would now be, fairly prosperous, with rates as low, and perhaps lower, than are now charged. But when the people began to realize the very great advantage they derived from the construction and operation of railroads (mainly at the expense of non-residents), they came to the conclusion that the more railroads they could procure to be built with such capital, the more benefit they would reap, and the less transportation would cost.

The several States, in compliance with popular demand, made many contracts with the class of agents who have promoted the building of parallel and competing roads which were not needed for transportation.

Those who promoted the building of such roads were generally contractors or construction companies, who, by payment of commissions to bankers and brokers, "floated" the bonds and stocks which were issued and sold to provide the necessary construction funds.

They realized their profits while the roads were in process of construction, as they intended to do; and their innocent dupes, who purchased the stock and bonds, have suffered great loss.

They are victims of confidence-games which were authorized by the several States.

The people of the Western States, at the same time, realized their expected profits from the disbursement of many millions of dollars of foreign capital in their midst. They have since derived benefits from forced reduction of rates for transportation—in many cases, below its actual cost—and apparently they do not yet realize that any injustice has been done by them, or at their instigation.

That, in addition to the property which has been forced to sale by foreclosures, as stated, more than one thousand millions of dollars of property in the West is now apparently wholly confiscated, by reason of the course the several Legislatures have pursued, gives them no apparent concern. They demand still lower rates, the necessary result of which will be further confiscation.

The contracts made by the several Western States with the class of Agents first referred to are in terms, or by fair implication, in substance as follows: The roads in each case are constructed and operated by and at the expense of the Agent, who is to be compensated for the use of its capital and for the cost of transportation by being permitted to charge and collect reasonable rates on all traffic over its line; and such contracts provide further—by reasonable implication—that such Agents shall have the privilege of serving all persons who would naturally, by reason of location, contribute traffic to their lines, until by reason of their inability or failure to render adequate and reasonable service, a public necessity shall arise for the employment of one or more Agents to build a road, or roads, to divide traffic with them.

The fact can not be denied that most Western States have contracted for, and caused to be constructed, more railroads than can be economically employed, and for that reason, charges for transportation under existing conditions and circumstances must be—*if reasonable*—higher than those which would have been reasonable if a smaller number of competing roads had been constructed.

It is manifestly unjust to hold the older Railroad Companies responsible, and cause them to suffer loss of property by reason of such action on the part of the States, which has been taken in opposition to their wishes.

Have the Western States complied with their contracts and kept faith with such agents?

Have they permitted them to receive the reasonable compensation for the use of their capital and for their services, to which they have been fairly entitled?

The answers to these questions should not be based upon legal technicalities. Legislatures may or may not have observed constitutions, and State officers may or may not have observed all laws. Such facts as have weight with honest and fair-minded men should be considered, and such facts only, in answering these questions.

May we not respectfully request every man in these Western States, to carefully consider the facts we have referred to, and others bearing upon these questions, and answer them for themselves, as equity and good conscience seem to require?

During the last year more attention has apparently been given to the railroad problem than before, by those who (although not seeking office) consider the matter from the standpoint of the people.

We invite your attention to brief extracts from two papers, written by men of national reputation, who, from their high character and position, may be fairly supposed to be unbiased in their statements.

Prof. Richard T. Ely, of the Johns Hopkins University, in a paper published in August last, says:

"We force upon owners of railway property a kind of management of their property, which is not that which they would, if free, choose for themselves. The managers of private railway corporations are treated as delegated agents of Government.

"We are trying one of two possible railway policies, and what are the results already attained and likely to be attained in the future? They are disastrous in several particulars.

"Our policy leads to an unscientific, unbusiness-like, wasteful administration of railway property, which comprises in value perhaps one-eighth of all the property in the country. Useless parallel lines are constructed, and these have caused a destruction of property surpassing the destruction of many an entire war.

"The mere cost of construction of two of these lines is estimated at two hundred millions of dollars, and the loss continues to be a perpetual drain upon the country in the subsequent operation of these parallel lines. Labor and capital are forever withdrawn from useful purposes.

"We try further to force railways to fight one another, to engage in destructive warfare like so many Kilkenny cats. * * *

"In other words, to maintain our present policy, we feel that we must force upon the railways of the country, a management which produces strife and enormous loss."

He compares railway management in this country, with that of government railways in Europe, and appears to have a very decided preference for the latter.

The editor of the *Christian Union*, in his paper bearing date December 18, 1890, commenting on the amendments to the Act to regulate commerce, which are recommended by the Inter-State Commerce Commission, says:

"All these amendments are based on the fundamental doctrine which we are coming more and more distinctly to recognize, that a railroad is

"not private property, but a public trust; that a railroad corporation is not "a private owner, but a public official, and that railroad business is not "private business, the price and methods of which, are to be determined "by a free competition in an open market, but public business, to be regulated by the State."

We do not agree with these men in all their conclusions as stated in the articles to which we refer, but the facts they state in the language we have quoted, can not be denied.

We think each represents the convictions of a large class of persons upon the railway problem of this country. Professor Ely clearly states, that a just price should be paid for railroad property or for railroad transportation, and gives many reasons in favor of government ownership.

Whether the class of persons who recognize the "fundamental doctrine" stated by the editor of the *Christian Union*, believe that persons at whose expense railroads have been constructed, are entitled to a more equitable consideration for the use of railroad property, than they have heretofore received, is not stated.

We believe that the people intended no wrong in permitting the construction of competing railroads under general laws which provide for such roads, without limit as to number, and without restriction as to location within the territory of the several States.

We have no doubt the people entertained the belief, that as long as persons were willing to construct railroads mainly at their own cost, there was no danger that more of them would be built than were needed for purposes of transportation.

The people apparently failed to see that as long as the older roads furnished reasonably adequate transportation facilities, there was no good reason why parallel lines should be constructed.

They apparently failed to understand that, having undisputed power to limit rates to such as are reasonable, by the employment of Railroad Commissioners, or otherwise pursuant to such laws as they, by their Legislatures might enact, it was wholly unnecessary to multiply roads, in order to guard against rates unreasonably high, and that the effect of so doing must be to increase the actual cost of transportation.

The people apparently failed to understand the real object of the contractors and construction companies, who built parallel and competing roads, and that such roads, when operated, could not obtain traffic without levying black-mail on the older lines, and depriving them of traffic needed for their support; traffic which it was for the true interest of the people that they should continue to receive.

The people have, nevertheless, caused shareholders enormous losses through the instrumentality of their respective State governments; and it

seems just that such governments, acting for the people, should be held responsible for the acts of the agents they have employed.

There may be no legal liability, but it can not be denied, that the States are morally responsible for the destruction of railroad property which they have caused.

In the light of well-known facts, to some of which we have referred, may we not at least ask that the laws under which so much injustice has been perpetrated shall be amended or repealed?

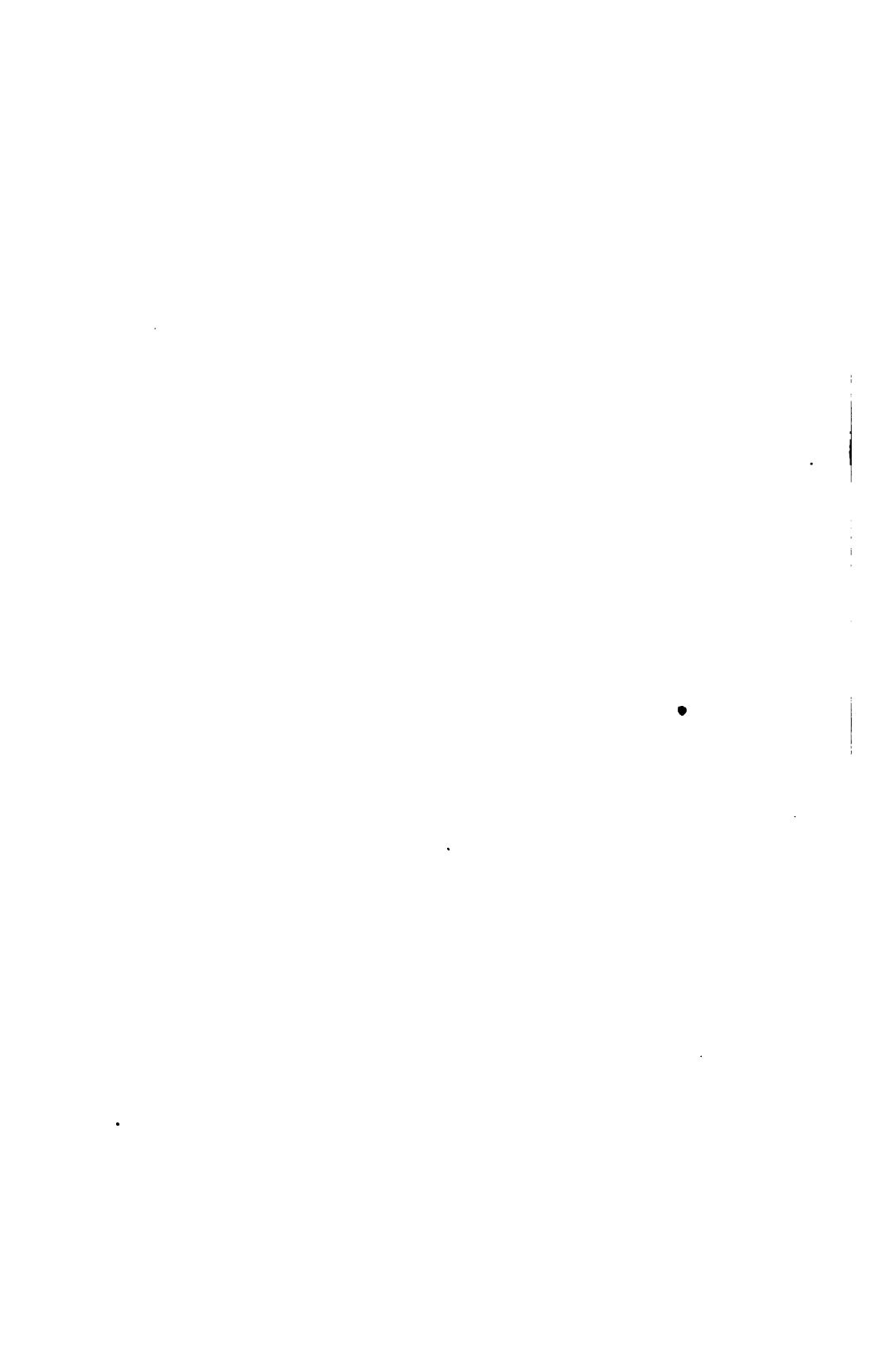
Must the construction of unnecessary competing lines be continued indefinitely?

Suppose an honorable man should learn that he had unintentionally continued for years to deprive another of his just rights, would he not, when his attention had been called to the matter, promptly take such action as the case might require, to avoid further injustice and make restitution, if within his power?

Can an honorable government, which is supposed to embody and give effect to the wishes of honorable men, refuse or neglect to pursue a similar course, under like circumstances?

By order of the Board.

T. B. BLACKSTONE,
President.



APPENDIX.

AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 11, 1891.

To the Board of Directors :

GENTLEMEN : I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31st, 1890, and the operations of the road for the fiscal year 1890 :

A — General Balance Sheet.

B — Income Account.

C — Additional Property Account.

D — Gross Earnings from Traffic for the year.

E — Statement of Monthly Earnings from 1881, and Annual Expenses and Profits.

F — Passenger Statistics and Comparisons.

G — Freight Statistics and Comparisons.

H — Freight Transported.

I — Statement of Gross Earnings from Shipments of Farm Products in Illinois.

J — Statement of Gross Earnings from Shipments of Farm Products in Missouri.

K — Mileage of Cars and Details of Mileage.

Respectfully yours,

CHAUNCEY KELSEY,

Auditor.

A—General Balance Sheet, December 31st, 1890.

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To Cost of Road and Equipment.	\$ 28,178,666 96	By Capital Stock.	\$17,594,500 00
Cost of Road and Equipment.	320,582,702 50	Common Stock.	14,115,000 00
Cost of Road and Equipment.	1,816,241 68	Preferred Stock.	3,479,500 00
Cost of Road and Equipment.	1,335,577 22	By Capital Stock, Joliet & Chi. R. R., Guaranteed.	
Cost of Road and Equipment.	1,042,774 21	By Capital Stock Mississippi Bridge Co., Guar'd.	
Cost of Road and Equipment.	980,416 24	Funded Debt.	
Cost of Road and Equipment.	2,000,000 00	First Mortgage Bonds, due Jan. 1, 1893.	2,353,000 00
Cost of Road and Equipment.	1,000,000 00	Consolidated Sterling Bonds, due July 1, 1895.	4,379,850 00
Cost of Road and Equipment.	2,000,000 00	St. L., J. & C. R. R. Co.'s 1st Mtg., due April 1, 1894.	2,993,000 00
Cost of Road and Equipment.	1,000,000 00	St. L., J. & C. R. R. Co.'s 2d Mtg., due July 1, 1895.	390,000 00
Cost of Road and Equipment.	1,000,000 00	La. & Mo. River R. R. Co.'s 1st Mtg., due Aug. 1, 1900.	433,100 00
Cost of Road and Equipment.	1,000,000 00	Mississippi River Bridge Co. Bonds, due Oct. 1, 1913.	630,000 00
Cost of Road and Equipment.	1,000,000 00	By Sinking Fund Gold Bonds, due May 1, 1903.	
Cost of Road and Equipment.	1,000,000 00	By Bonds Redeemed and Cancelled.	
Cost of Road and Equipment.	1,000,000 00	Sinking Fund Bonds.	600,000 00
Cost of Road and Equipment.	1,000,000 00	Sinking Fund Gold Bonds.	851,000 00
Cost of Road and Equipment.	1,000,000 00	Joliet & Chicago R. R. Co.'s Bonds.	500,000 00
Cost of Road and Equipment.	1,000,000 00	Mississippi River Bridge Co.'s Bonds.	80,000 00
Cost of Road and Equipment.	1,000,000 00	By Current Liabilities.	
Cost of Road and Equipment.	1,000,000 00	Audited Vouchers and Accounts.	323,336 84
Cost of Road and Equipment.	1,000,000 00	Wages and Salaries.	390,895 21
Cost of Road and Equipment.	1,000,000 00	Net Traffic Balances due Other Companies.	117,461 73
Cost of Road and Equipment.	1,000,000 00	Unclaimed Dividends.	732 70
Cost of Road and Equipment.	1,000,000 00	Matured Interest and Coupons, Unpaid.	115 30
Cost of Road and Equipment.	1,000,000 00	By Rentals Accrued, not yet due.	
Cost of Road and Equipment.	1,000,000 00	By Unexpended Appropriations for Real Estate in Chicago.	108,374 00
Cost of Road and Equipment.	1,000,000 00	By New Common Stock, Unissued.	130,000 00
Cost of Road and Equipment.	1,000,000 00	By Income Account.	1,500 00
Cost of Road and Equipment.	1,000,000 00		2,633,509 53
Total.	\$27,883,986 81	Total.	\$27,883,986 81

B—Income Account, December 31st, 1890.

To Dividend on Preferred and Common Stock, 1890	\$3,407,560 00	By Balance from 1889	\$2,715,860 12
To First Mortgage Coupons, due January 1st.	\$ 83,405 00	By Interest on Bonds owned by Chicago & Alton Railroad Co.	\$23,110 00
Coupons, due July 1st.	83,405 00	K. C., St. L. & C. R. R. Coupons, due May 1st.	\$105,000 00
To Consolidated Bonds; Coupons, due January 1st.	181,714 10	Mississippi River Bridge Bonds; Coupons, due May 1st.	105,000 00
Coupons, due July 1st.	183,600 88		
To St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds; Coupons, due April 1st.	102,515 00	Coupons, due November 1st.	5,370 00
Coupons, due October 1st.	102,515 00	Louisiana & Missouri River R. R. Second Mortgage; Coupons due May 1st.	5,280 00
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds; Coupons, due January 1st.	8,050 00	Coupons due November 1st.	2,450 00
Coupons, due July 1st.	8,050 00	Louisiana & Missouri River R. R. First Mortgage; Coupons due February 1st.	2,450 00
To Louisiana & Missouri River R. R. First Mortgage Bonds; Coupons, due February 1st.	15,368 50	Coupons due August 1st.	2,450 00
Coupons, due August 1st.	15,368 50	St. Louis, Jacksonville & Chicago R. R. First Mortgage; Coupons, due April 1st.	1,330 00
To Sinking Fund Gold Bonds; Coupons, due May 1st	68,100 00	Coupons, due October 1st.	1,330 00
Coupons, due November 1st.	65,070 00	By Dividend on Stocks owned by Chicago & Alton Railroad Co.	\$2,083 00
To Sinking Fund Gold Bonds Redeemed and Canceled (156)	\$105,750 00	May 1st.	10,500 00
To Rentals—Joliet & Chicago R. R.	71,000 00	Dividend on Stock November 1st.	10,500 00
Mississippi River Bridge.	139,469 40	K. C., St. L. & C. R. R. Dividend on Stock.	5,516 00
La. & Mo. R. R.	886,191 34	May 1st.	5,516 00
K. C., St. L. & C. R. R.		Miscellaneous Income.	
To Additional Property		Interest on Notes of Louisiana & Missouri River R. R. January 1st.	8,335 43
To Operating Expenses.		June 1st.	2,461 30
To Balance	\$10,055,140 70	Interest on Sinking Fund.	2,461 30
		Rents, etc., from Grundy County Coal Lands.	\$,063 30
		By Operating Receipts	1,369 53
			7,065,753 15
			\$10,055,140 70

O—Additional Property Account for the Year 1890.

Real Estate.....	\$ 7,331 00	Amount charged to Income Account	\$184,270 73
Second Main Track.....	67,908 48		
Side Tracks.....	28,983 25		
Buildings.....	636 94		
One Hundred Furniture Cars.....	75,821 98		
One Postal Car	5,889 14		
	<u>\$184,270 73</u>		<u>\$184,270 73</u>

D—Gross Earnings from Traffic for the Year ending December 31st, 1890.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January.....	\$158,820 00	\$379,852 50	\$31,606 09	\$570,278 59
February.....	142,392 45	353,917 68	29,588 86	525,898 99
March.....	149,189 56	386,684 21	34,376 07	570,249 84
April.....	151,753 26	378,365 92	30,402 69	560,521 87
May.....	177,281 74	377,765 59	31,708 82	586,756 15
June.....	177,353 12	320,443 09	32,937 67	530,733 88
July.....	176,693 45	369,412 14	30,613 41	576,724 00
August.....	201,768 88	372,466 62	29,043 81	603,279 31
September.....	213,309 89	412,634 45	33,869 63	659,813 97
October.....	229,690 70	465,827 82	31,023 13	726,546 65
November.....	161,976 28	408,441 62	30,569 82	600,987 72
December.....	158,580 33	362,413 28	33,018 57	553,962 18
Totals for Year ...	\$2,098,759 06	\$4,588,224 92	\$378,768 57	\$7,065,753 15

E—Monthly Earnings of The Chicago & Alton Railroad Company.

Months.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.
January	\$499,120 16	\$588,889 61	\$646,386 29	\$666,641 80	\$646,894 70	\$637,840 75	\$672,509 42	\$606,378 02	\$496,317 18	\$370,378 59
February	474,318 05	517,896 81	537,383 68	573,284 25	537,382 44	543,186 74	584,409 35	498,463 93	531,441 99	525,898 99
March	530,914 97	568,999 96	686,094 13	697,918 46	690,850 56	612,647 11	715,754 86	557,867 03	618,893 06	570,949 84
April	558,189 73	564,890 75	600,877 77	607,361 18	591,636 02	576,684 34	654,949 34	532,378 88	618,301 22	560,581 87
May	546,555 45	559,577 18	646,739 67	652,661 51	591,091 00	585,584 69	631,018 64	600,081 12	569,590 31	558,756 15
June	635,859 58	617,250 48	657,507 81	668,069 74	591,300 31	637,484 04	717,189 33	585,230 63	580,945 09	530,733 88
July	676,204 74	702,635 48	731,502 98	720,344 17	668,382 70	715,165 75	817,540 78	631,645 11	680,450 82	578,724 00
August	769,751 47	856,397 95	886,556 44	869,203 55	738,004 68	741,261 54	864,900 93	738,618 63	794,708 60	608,379 31
September	774,790 21	912,691 79	984,945 57	916,964 08	755,885 36	777,413 50	843,061 93	716,378 65	785,184 22	639,513 97
October	771,843 58	838,673 70	901,618 75	899,037 23	797,046 91	808,943 22	908,273 17	805,351 01	798,689 69	736,546 65
November	673,380 22	749,915 59	801,187 33	753,956 74	738,098 38	758,417 25	801,880 07	630,431 96	660,279 62	600,937 73
December	646,813 37	701,065 80	749,219 96	692,711 51	703,936 87	737,181 51	746,599 29	601,643 15	600,304 74	553,993 18
Total	\$7,557,740 42	\$8,215,496 13	\$8,810,610 38	\$8,709,274 23	\$7,993,169 33	\$8,080,639 34	\$8,941,385 31	\$7,811,465 19	\$7,516,616 44	\$7,065,753 15
Expenses, in- cluding taxes, }	\$4,821,375 00	\$4,684,503 50	\$5,097,034 62	\$5,133,750 16	\$4,612,847 40	\$4,660,955 18	\$5,270,202 94	\$4,668,084 45	\$4,571,736 99	\$4,389,001 55
Profits.	\$3,236,365 42	\$3,530,991 62	\$3,713,575 76	\$3,575,524 06	\$3,380,321 93	\$3,400,684 16	\$3,671,182 37	\$3,143,380 74	\$2,944,880 45	\$2,686,751 60

F—Statement of Passenger Statistics and Comparisons.

DESCRIPTION.	1887.	1888.	1889.	1890.	INCREASE.	DECREASE.	PER CENT.
Total Number of Passengers Carried.....	1,765,196	1,830,535	1,717,678	1,866,348	148,670	.....	08.45%
Total Number of Through Passengers.....	147,754	147,825	118,210	147,580	29,370	.....	24.14%
Total Number of Local Passengers.....	1,617,442	1,682,710	1,599,468	1,718,768	119,300	.....	07.45%
Percentage of Local Passengers to Whole Number.....	91.88%	91.76%	93.13%	92.10%	1.00%	.....	01.10%
Percentage of Through Passengers to Whole Number.....	8.31%	8.16%	6.88%	7.90%	1.02%	.....	14.88%
Number of Local Passengers Carried.....	796,818	832,198	798,203	863,620	65,417	.....	08.19%
Number of Local Passengers Moved South.....	820,624	850,512	801,265	855,148	53,883	.....	06.44%
Number of Through Passengers Carried.....	70,719	71,160	58,346	74,034	15,688	.....	26.88%
Number of Through Passengers Moved North.....	77,035	76,665	59,864	73,546	13,682	.....	22.18%
Number of Through Passengers Moved South.....	120,001,687	118,007,585	104,000,108	117,016,312	13,016,204	.....	12.51%
Average Distance Traveled by Each Local Passenger.....	67.82	64.16	60.54	62.19	2.15	.....	03.56%
Average Distance Traveled by Each Through Passenger.....	67,798,206	65,370,465	61,927,225	64,516,776	2,589,551	.....	04.14%
Carried One Mile.....	41,314	38,848	38,117	31,118	.....	6,238	18.93%
Average Rate Paid per Mile by Local Passengers.....	2.00	1.80	2.00	1.70	.....	30	15.40%
Average Rate Paid per Mile by Through Passengers.....	2.33	2.10	2.33	2.10	.....	100	09.10%
Average Rate Paid per Mile by Through Passengers.....	1.81	1.80	1.80	1.70	.....	100	23.88%
Average Fare Paid by Each Passenger.....	68.10	60.10	51.00	55.00	4.00	.....	08.18%
Number of Pieces of Baggage Handled.....	\$1 40	\$1 21	\$1 29	\$1 13	.....	.16	12.40%
Earnings from Excess Baggage.....	\$ 24,284 20	\$ 25,377 55	\$ 22,989 36	\$ 27,441 59	\$4,452 23	.....	01.70%
							19.00%

G—Freight Statistics and Comparisons.

	1886.	1887.	1888.	1889.	1890.	INCREASE.	DECREASE.	PER CENT.
Tonnage of Freight Transported.....	3,561,100	4,123,120	3,785,160	3,461,391	3,399,705	.....	61,686	01.18%
Tonnage of Local Freight.....	2,713,446	3,083,412	2,984,774	2,620,834	2,634,474	13,640	.....	00.51%
Percentage of Whole Tonnage—Local	74.3%	74.1%	78.8%	75.7%	77.4%	01.7%	.....	02.3%
Tonnage of Through Freight.....	937,654	1,039,708	800,386	840,557	765,231	.....	75,326	08.9%
Percentage of Whole Tonnage—Through.....	25.6%	25.9%	21.1%	24.3%	22.5%	.....	.....	07.7%
Revenue Freight Carried One Mile, in Tons.....	560,824,279	641,651,562	533,866,327	537,301,926	519,889,191	.....	17,612,735	03.2%
Average Rate per Ton per Mile on Revenue Freight.....	00.100%	00.25%	00.31%	00.31%	00.33%	.....	00.02%	03.1%
Average Distance each Ton was Carried.....	153.804	155.323	141.04%	155.100%	152.100%	.....	2,996	01.9%

H — Freight Transported.

ARTICLES.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	INCREASE.	DECREASE.
Merchandise and Sundries.									
Iron	560,136	613,751	747,898	944,065	764,635	832,019	764,615	.....	57,404
Coal	127,070	132,075	186,013	318,651	85,534	106,146	122,878	.....	44,868
Brick and Mill Stuffs.	1,978,230	1,390,865	1,390,613	1,653,975	1,650,885	1,000,085	1,180,192	180,107	.....
Wool	32,740	42,769	53,932	98,185	43,407	35,535	26,532	.....	10,008
Hides	5,728	6,788	2,953	3,320	1,710	1,702	796	.....	508
Wives	4,180	5,315	3,548	4,831	2,143	2,067	236	.....	1,841
Broom Corn	8,890	1,908	240	1,665	455	400	133	.....	977
Hay	19,331	27,291	26,911	28,514	32,580	27,728	21,233	.....	8,559
Ice	100,238	164,134	185,535	182,002	135,949	134,063	8,225	.....	120,837
Brick and Sand	10,198	5,876	8,744	12,570	13,762	25,107	20,434	.....	4,673
Stone	73,877	70,051	76,167	108,146	131,270	100,427	112,339	11,613	.....
Wheat	6,580,664	2,828,663	3,435,055	3,941,188	4,615,512	5,375,714	3,796,068	1,548,409	.....
Corn	10,432,786	8,143,313	5,236,134	4,762,031	4,930,117	6,184,737	9,705,146	.....	1,833,676
Oats	3,584,477	3,710,791	3,710,791	4,354,280	5,480,453	4,784,908	4,234,151	.....	400,757
Barley	817,693	453,698	515,378	966,540	1,035,168	708,616	354,088	.....	180,478
Rye	158,459	81,896	44,252	22,798	103,641	188,163	67,496	.....	110,946
Potatoes	61,418	298,088	334,210	305,715	265,970	323,495	213,350	.....	113,019
Flour	643,036	594,308	394,210	305,715	509,754	491,813	876,793	.....	.....
Whisky .....	.....	.....	471,765	538,324	509,754	11,811	12,457	670	.....
Beef	16,194	14,454	57	21,777	6,973	273,850	274,744	1,855	.....
Pork	55,570	51,224	4,492	73,974	88,325	124,039	156,808	32,530	.....
Lard	16,688	41,463	35,111	29,514	25,758	53,239	51,815	.....	1,424
Salt	111,553	97,466	65,379	67,331	67,008	45,683	37,712	.....	10,921
Lumber	182,336,340	133,495,993	141,270,604	180,065,908	103,450,594	83,370,235	88,829,622	5,559,387	.....
Shingles .....	.....	.....	127	251	3,211	9,649	11,433	1,774	.....
Latb .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Feats, Staves, etc.	16,179	15,321	12,019	10,969	15,059	9,174	11,382	2,768	.....
Cattle	898,034	894,185	326,675	473,433	510,013	447,746	437,946	.....	9,800
Hogs	940,017	1,031,233	705,050	637,503	654,173	676,334	594,173	.....	29,182
Sheep	147,686	107,314	96,414	165,018	830,041	304,795	298,857	.....	87,035
Horses	15,361	14,584	20,985	24,324	24,407	26,051	22,750	.....	3,301
Milk	518,176	547,776	580,360	682,572	703,136	831,157	873,422	42,263	.....
Cured Meats	6,569	2,793	299	298	.....	.....	.....	.....	.....
Cotton	10,036	30,098	36,423	37,393	29,231	23,394	33,549	11,463	.....
Bullion	1,374	.....	.....	.....	1,463	13,847	1,554	.....	13,233
Railroad Ties	162,988	4,343	305,671	316,145	18,222	64,098	13,920	.....	41,885
Seeds .....	.....	800	2,145	4,379	1,391	1,100	4,394	3,194	.....
Clay	6,731	3,044	5,233	29	1,302	8,785	4,006	.....	1,173
Drain Tile	10,954	11,653	11,737	7,643	10,023	13,876	13,876	3,884	.....
Lime	11,567	8,043	10,331	7,255	9,966	8,773	7,980	.....	833
Straw Board	5,025	7,032	6,694	6,694	9,270	9,047	7,778	.....	1,369

I—Statement of Gross Earnings from Shipments of Farm Products in Illinois.

YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent. of Gross Earnings on F-r Traffic in Illinois.	Per cent. of Gross Earnings on all Traffic in Illinois.
1881.....	\$ 78,864 00	\$347,967 00	\$65,660 00	\$ 81,817 00	\$163,481 00	\$63,785 00	\$799,324 00	18.85	13.78
1882.....	109,146 00	322,743 00	68,688 00	84,575 00	188,850 00	50,811 00	768,813 00	16.76	13.76
1883.....	90,471 24	188,100 54	69,497 54	96,325 00	103,700 00	78,798 58	576,793 90	12.66	9.46
1884.....	79,655 11	110,162 81	85,120 19	88,775 00	118,800 00	46,101 56	593,614 67	13.30	9.46
1885.....	88,203 09	186,291 78	103,624 74	90,200 00	129,650 00	56,980 22	599,919 83	14.66	10.76
1886.....	88,425 86	242,810 10	107,811 17	106,475 00	125,225 00	40,501 34	710,747 97	18.66	12.66
1887.....	158,953 71	193,823 60	112,517 67	97,125 00	99,175 00	51,845 87	712,440 85	16.76	11.76
1888.....	176,558 69	199,047 18	148,845 50	74,900 00	97,350 00	78,640 01	769,141 88	20.66	18.76
1889.....	144,851 76	315,535 92	186,939 17	100,675 00	80,825 00	77,656 10	855,373 95	22.66	15.76
1890.....	105,793 41	847,188 08	124,944 41	87,675 00	100,700 00	56,503 51	823,803 36	23.66	15.76
Increase in 1890.....	.....	31,652 11	.....	.....	20,875 00	.....	.....	0.66	0.66
Decrease in 1890.....	89,059 35	.....	11,884 76	18,000 00	.....	21,152 59	32,569 59	.....	.....

J—Statement of Gross Earnings from Shipments of Farm Products in Missouri.

YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent. of Gross Earnings on Frit Trade in Missouri.	Per cent. of Gross Earnings on all Trade in Missouri.
1881.....	\$ 49,840 00	\$ 22,680 00	\$ 8,700 00	\$107,134 00	\$92,848 00	\$31,480 00	\$301,668 00	23 75	17 75
1882.....	177,281 00	37,651 00	12,615 00	67,920 00	62,440 00	39,567 00	397,494 00	29 55	20 55
1883.....	122,626 55	114,932 34	11,447 70	109,080 00	75,960 00	20,992 78	455,089 33	26 75	18 75
1884.....	106,493 29	42,416 77	9,524 26	81,440 00	84,440 00	16,042 17	340,666 49	19 75	18 75
1885.....	50,473 04	29,972 42	8,281 08	104,560 00	78,640 00	15,446 01	283,872 50	20 75	18 75
1886.....	71,187 44	21,751 91	7,868 44	108,880 00	77,640 00	25,219 10	307,541 89	20 75	18 75
1887.....	140,875 58	9,084 75	25,586 66	90,080 00	58,340 00	28,884 22	303,561 21	20 75	14 75
1888.....	95,287 68	27,959 20	28,080 69	100,880 00	66,400 00	20,052 20	333,659 77	29 75	19 75
1889.....	135,550 02	16,998 18	15,788 96	115,720 00	81,640 00	24,408 45	390,045 56	38 75	21 75
1890.....	72,594 45	12,371 88	10,976 84	126,760 00	87,640 00	25,005 00	384,547 12	31 75	20 75
Increase in 1890.....	.....	.....	.....	.....	.....	601 55	.....	.....	.....
Decrease in 1890.....	62,655 57	4,721 80	4,762 62	.....	6,000 00	.....	55,498 44	1 75	1 75

K — Mileage of Cars and Details of Mileage, 1889 and 1890.

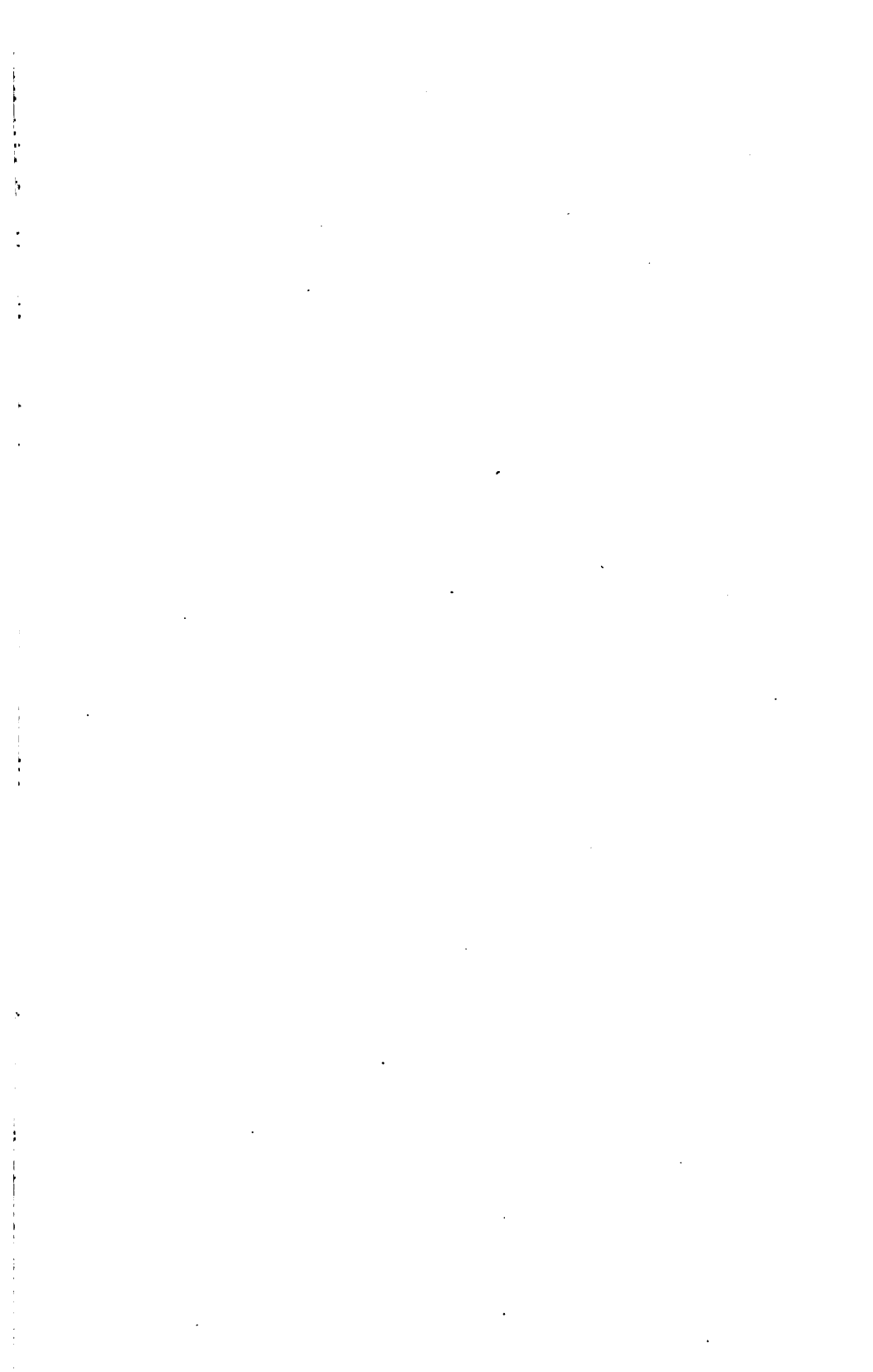
	1889.	1890.	INCREASE.	DECREASE.	PER CENT.
Miles run by C. & A. Sleeping Cars on C. & A. R. R.	1,723,363	1,609,392	.....	113,971	06.55%
Miles run by Foreign Sleeping Cars on C. & A. R. R.	423,302	580,722	157,420	.....	37.10%
Miles run by Dining Cars on C. & A. R. R.	238,506	223,505	.....	15,001	06.30%
Miles run by C. & A. Coaches on C. & A. R. R.	5,463,068	5,375,895	.....	87,173	01.58%
Miles run by C. & A. Coaches on Foreign Roads.	48,621	375,323	326,702	.....	671.10%
Miles run by Foreign Coaches on C. & A. R. R.	201,369	326,619	125,250	.....	62.70%
Miles run by Pay Car.	31,579	26,926	.....	4,653	14.74%
Miles run by C. & A. Mail, Express and Postal Cars on C. & A. R. R.	2,896,603	2,821,231	.....	75,372	02.60%
Miles run by Foreign Baggage, Mail and Ex. Cars on C. & A. R. R.	6,342	167,273	160,931	.....	2,537.10%
Number of C. & A. R. R. Cars hauled Loaded, in Regular Service.	494,931	515,013	20,082	.....	04.06%
Mileage of C. & A. R. R. Cars hauled Loaded, in Regular Service.	29,381,204	30,436,490	1,055,286	.....	03.60%
Number of C. & A. R. R. Cars hauled Empty, in Regular Service.	265,271	277,226	11,955	.....	04.54%
Mileage of C. & A. R. R. Cars hauled Empty, in Regular Service.	14,512,913	15,439,589	926,676	.....	06.40%
Number of C. & A. R. R. Cars hauled Loaded, in Construction Trains	39,910	27,011	.....	12,899	32.10%
Mileage of C. & A. R. R. Cars hauled Loaded, in Construction Trains	1,191,231	855,488	.....	335,743	28.10%
Number of C. & A. R. R. Cars hauled Empty, in Construction Trains	40,287	28,054	.....	12,233	30.10%
Mileage of C. & A. R. R. Cars hauled Empty, in Construction Trains	1,192,366	898,879	.....	293,487	24.61%
Number of Foreign and Line Cars hauled Loaded.	260,512	249,735	.....	777	00.30%
Mileage of Foreign and Line Cars hauled Loaded.	16,178,357	15,689,455	.....	488,902	03.00%
Number of Foreign and Line Cars hauled Empty.	152,604	149,409	.....	3,195	02.10%
Mileage of Foreign and Line Cars hauled Empty.	9,254,291	8,779,574	.....	474,717	05.10%
Whole Number of Loaded Cars hauled, in Regular Service.	745,443	764,748	19,305	.....	02.59%
Mileage of Loaded Cars hauled, in Regular Service.	45,559,561	46,125,945	566,384	.....	01.24%
Whole Number of Empty Cars hauled, in Regular Service.	417,875	426,635	8,760	.....	02.10%
Mileage of Empty Cars hauled, in Regular Service.	23,767,204	24,219,163	451,959	.....	01.90%

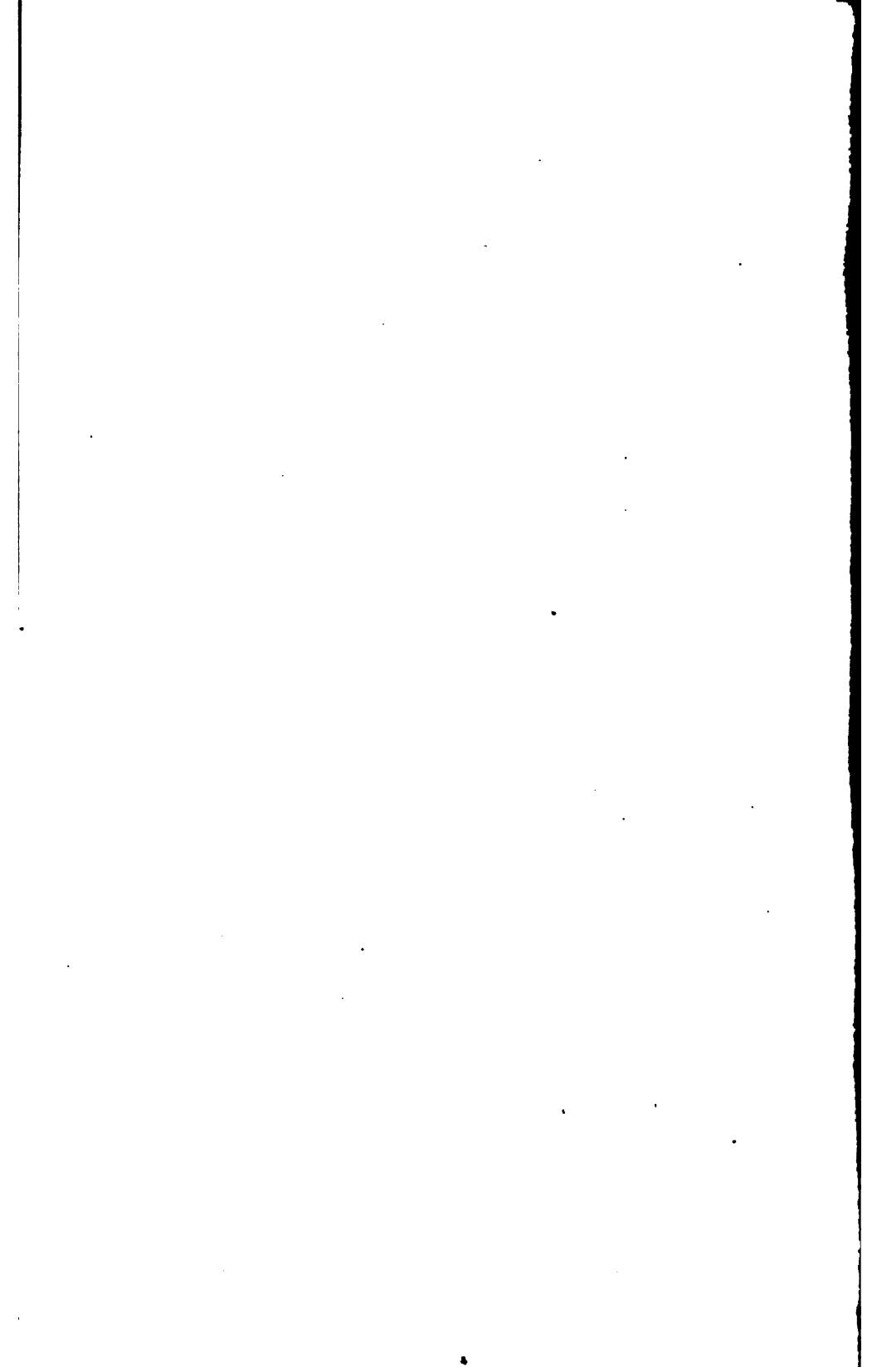
K — *Mileage of Cars, etc. — (Continued.)*

	1889.	1890.	INCREASE.	DECREASE.	PER CENT.
Whole Number of Cars hauled, in Regular Service, Loaded and Empty.....	1,163,318	1,191,383	28,065	.....	02.41%
Total Freight Mileage, Cars hauled, in Regular Service, Loaded and Empty.....	69,326,765	70,345,108	1,018,343	.....	01.45%
Per Cent. of whole Mileage, Loaded.....	65.11%	65.51%	.....	.....	00.61%
Per Cent. of whole Mileage, Empty.....	34.88%	34.48%	.....	.....	00.40%
Mileage of C. & A. Cars on Foreign Roads.....	23,701,046	28,954,330	5,253,284	.....	22.15%
Total Mileage of C. & A. Freight Cars.....	69,978,760	76,584,776	6,606,016	.....	09.44%
Average Revenue Tonnage of each Loaded Car hauled, in Regular Service.....	11.10%	11.36%	.....	.....	04.48%
Average Revenue Tonnage of each Car hauled, in Regular Service, Loaded and Empty.....	7.15%	7.38%	.....	.....	04.17%
Tonnage of Company's Freight not embraced in above figures....	228,063	190,470	.....	37,593	16.48%

K — Mileage of Cars, etc. — (Continued.)

	1889.	1890.	INCREASE.	DECREASE.	PER CENT.
Whole Number of Cars hauled, in Regular Service, Loaded and Empty.....	1,163,318	1,191,383	28,065	.....	02.41%
Total Freight Mileage, Cars hauled, in Regular Service, Loaded and Empty.....	69,326,765	70,345,108	1,018,343	.....	01.45%
Per Cent. of whole Mileage, Loaded.....	65.71%	65.71%	.....	.....	00.00%
Per Cent. of whole Mileage, Empty.....	34.28%	34.28%	.....	.....	00.00%
Mileage of C. & A. Cars on Foreign Roads.....	28,701,046	28,954,330	253,284	.....	00.88%
Total Mileage of C. & A. Freight Cars.....	69,978,760	76,584,776	6,606,016	.....	09.44%
Average Revenue Tonnage of each Loaded Car hauled, in Regular Service.....	11.32%	11.32%	.....	.....	04.44%
Average Revenue Tonnage of each Car hauled, in Regular Service, Loaded and Empty.....	7.11%	7.11%	.....	.....	04.44%
Tonnage of Company's Freight not embraced in above figures...	228,063	190,470	.....	37,593	16.46%





TWENTY-NINTH ANNUAL REPORT
OF THE
PRESIDENT AND DIRECTORS
OF THE
CHICAGO & ALTON
RAILROAD COMPANY,
FOR THE
YEAR ENDING DECEMBER 31, 1891.

ISSUED FEBRUARY, 1892.

CHICAGO:
RAND, McNALLY & Co., PRINTERS, 166-172 ADAMS ST.

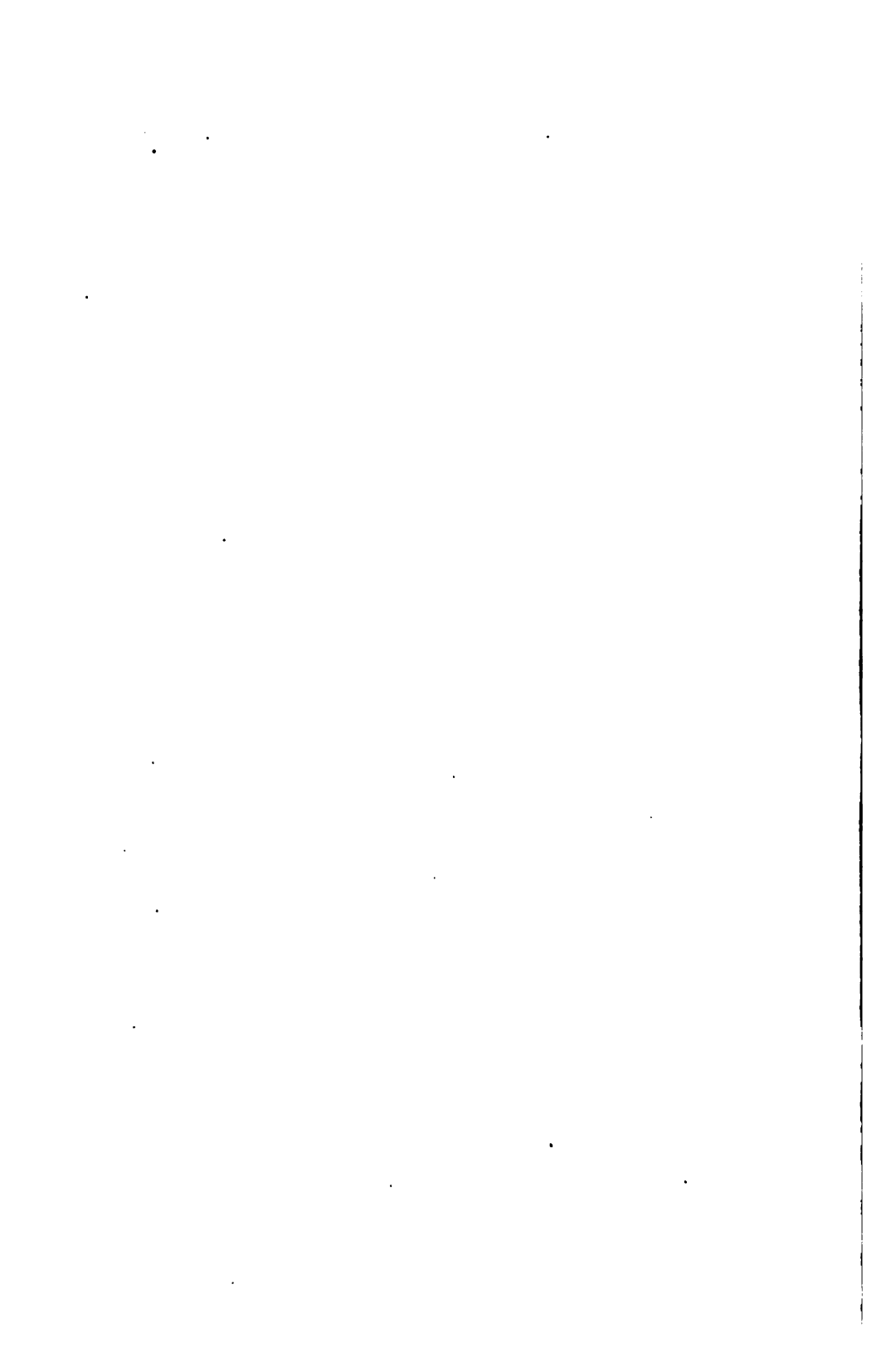
1892.

DIRECTORS.

T. B. BLACKSTONE.....	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1892.
JOHN B. DRAKE.....	CHICAGO, ILL.	
MORRIS K. JESUP.....	NEW YORK.	
JAMES C. McMULLIN	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1893.
JOHN A. STEWART.....	NEW YORK.	
ALBERT A. SPRAGUE	CHICAGO, ILL.	
JOHN J. MITCHELL.....	ST. LOUIS, MO.	} Term of Service Expires first Monday in April, 1894.
W. N. BLACKSTONE.....	NORWICH, CONN.	
A. C. BARTLETT.....	CHICAGO, ILL.	

OFFICERS.

T. B. BLACKSTONE.....	<i>President.</i>
J. C. McMULLIN.....	<i>Vice-President.</i>
CHARLES H. FOSTER.....	<i>Secretary and Treasurer.</i>
CHAUNCEY KELSEY.....	<i>Auditor.</i>
WILLIAM BROWN.....	<i>General Solicitor.</i>
CHARLES H. CHAPPELL....	<i>General Manager.</i>
T. M. BATES.....	<i>Superintendent of Transportation.</i>
J. H. WOOD.....	<i>General Manager's Assistant.</i>
H. H. COURTRIGHT.....	<i>General Freight Agent.</i>
JAMES CHARLTON.....	<i>General Passenger and Ticket Agent.</i>
K. F. BOOTH.....	<i>Chief Engineer.</i>
A. W. QUACKENBUSH.....	<i>Superintendent of Machinery and Cars.</i>
A. V. HARTWELL	<i>Purchasing Agent.</i>
A. M. RICHARDS.....	} <i>Division Superintendents.</i>
W. K. MORLEY	



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A. M. RICHARDS.....	} <i>Division Superintendents.</i>
W. K. MORLEY	

DIRECTORS' TWENTY-NINTH ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company:

The Board of Directors submit the following Report for the year ending December 31, A. D. 1891:

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS		
Chicago to East St. Louis.....	280.70	81.82	115.14	477.66
Coal City Line.....	24.48	.....	15.04	39.52
Dwight to Washington and Lacon	79.80	.....	6.60	86.40
Roodhouse to Kansas City.....	250.42	1.17	62.48	314.07
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.....	158.00	.....	19.64	177.64
Mexico to Cedar City.....	50.00	.....	8.73	58.73
Total Miles	843.40	82.99	222.63	1,149.02

The total length of the tracks referred to in the foregoing tabular statement has been increased $5\frac{81}{100}$ miles.

In the main and side tracks on your road at the close of the year were $1,112\frac{28}{100}$ miles laid with steel rails, and $36\frac{64}{100}$ miles laid with iron rails.

All main tracks, and nearly all side tracks used for passing trains, are laid with steel rails. The standard weight of steel rails on your road is 70 lbs. per yard.

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares.....	14,115,000 00
Total amount of Stock.....	\$17,594,500 00

MORTGAGE BONDS AND OTHER OBLIGATIONS.

First Mortgage Chicago & Alton 7 per cent. Bonds, due January 1, 1898.....	\$2,888,000 00
St. Louis, Jacksonville & Chicago Railroad First Mortgage 7 per cent. Bonds, due April 1, 1894, assumed by your Company.....	2,929,000 00
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Bonds, due July 1, 1898, assumed by your Company.....	280,000 00
Louisiana & Missouri River Railroad Company's First Mortgage 7 per cent. Bonds, due August 1, 1900, assumed by your Company in settlement of Accounts under Contract for Construction, dated July 5, A. D. 1870.....	439,000 00
Chicago & Alton Sinking Fund 6 per cent. Gold Bonds, due May 1, 1903.....	2,075,000 00
Consolidated Chicago & Alton 6 per cent. Sterling Bonds, due July 1, 1903—£900,000, say.....	4,379,850 00
Mississippi River Bridge Company's First Mortgage Sinking Fund 6 per cent. Bonds, due October 1, 1912, assumed by your Company under terms of lease....	607,000 00
Total amount of Bonds.....	\$18,042,850 00

Joliet and Chicago Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed,	\$1,500,000 00
Mississippi River Bridge Company's Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	800,000 00
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent. annual dividends are guaranteed,	1,750,000 00
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent. per annum, are contingent upon gross earnings....	271,700 00 3,821,700 00
Total.....	\$34,459,050 00

The Louisiana & Missouri River Railroad is operated by your Company under a lease, which, by its terms, is to continue one thousand years from the first day of August, A. D. 1870. The lease provides that each year all taxes and assessments shall be deducted from the gross earnings of the road, and 35 per cent. of the remainder shall be the amount of rent for that year.

The lines of railway operated by your Company, the bridges over the Mississippi and Missouri Rivers, and all other property appurtenant thereto, are owned by it, subject to the mortgages and other obligations above stated.

No change in the amount of capital stock of your Company has been made during the last year. The obligations of the Company have been reduced during the year by the purchase and cancellation of seventy-four thousand dollars of its six per cent. Sinking Fund Gold Bonds, and thirteen thousand dollars of the Bonds of the Mississippi River Bridge Company.

During the last eight years there has been no increase in the capital stock of your Company, except 803 shares issued in exchange for an equal number of the shares of the St. Louis, Jacksonville and Chicago Railroad Company.

In this period of eight years \$2,153,870.80 have been charged to Income Account and expended in the purchase of additional real estate, rolling stock, and other property.

During the same period the bonded debt of the Company has been reduced by the purchase and cancellation of \$735,000 of bonds.

REVENUE.

The Gross Earnings from Traffic, and Interest on temporary investments of surplus, during the last year were	\$7,868,448 05
The Total Disbursements during the same period for Operating Expenses, Taxes, Rent of Leased Lines, Interest on Bonds, and Dividends were	7,851,419 38
Balance	\$ 512,028 67

INCOME ACCOUNT.

By Balance December 31, 1890	\$2,423,509 53
By Interest on Bonds, Dividends on Stocks owned by your Company, and Sundry Receipts	272,566 87
By Gross Receipts from Traffic	7,590,881 18
	<u>\$10,286,957 58</u>

DISBURSEMENTS.

Interest on Funded Debt	\$ 810,387 16
Dividends	1,407,560 00
Rent paid Joliet & Chicago R. R. Co.	105,750 00
“ “ Louisiana & Missouri River R. R. Co.	162,137 52
“ “ Kansas City, St. Louis & Chicago R. R. Co.	335,834 90
“ “ Mississippi River Bridge Co.	71,000 00
Paid for Sinking Fund Bonds purchased	88,742 50
Paid and appropriated from this Account for Additional Property, Cars, Real Estate, New Buildings and New Tracks	200,220 08
Operating Expenses, including Taxes	4,458,749 80
	<u>7,640,881 96</u>
Balance, December 31, 1891	<u>\$2,646,575 62</u>

The following Statements show Earnings and Expenses during 1890 and 1891.

GROSS EARNINGS.

PER CENT.	1890.		1891.	PER CENT.
29.12%	\$2,098,759 66	From Passengers	\$2,206,841 98	29.21%
64.10%	4,588,224 92	" Freight	4,998,114 87	65.24%
02.48%	172,150 00	" Express	172,259 45	02.28%
02.31%	168,582 49	" Mails	168,135 02	02.21%
00.78%	43,086 08	" Miscellaneous	45,529 86	00.78%
	\$7,065,758 15	.....Total Earnings.....	\$7,590,881 18	

The Gross Earnings from Traffic in 1891, compared with those of 1890, are as follows :

	INCREASE.	PER CENT.
From Passenger Traffic	\$108,082 32	05.14%
" Freight	409,889 95	08.88%
" Express	109 45	00.06%
" Mail	4,552 58	02.70%
" Miscellaneous Sources	2,498 78	05.74%

The increase in Gross Earnings in 1891, compared with those of the preceding year, is \$525,128.03 or 7.43% per cent.

OPERATING EXPENSES.

PER CENT.	1890.		1891.	PER CENT.
37.57%	\$1,646,648 42	For Conducting Transportation	\$1,659,045 59	37.79%
30.84%	1,816,374 44	" Motive Power	1,424,772 35	31.28%
22.41%	982,940 35	" Maintenance of Way	861,100 77	19.71%
09.21%	436,038 34	" Maintenance of Cars	518,881 09	11.83%
	\$4,882,001 55	.....Total.....	\$4,458,749 80	

The expenditures for operating and maintaining your railroad, compared with those of the preceding year, are as follows :

	INCREASE.	DECREASE.	PER CENT.
For Conducting Transportation	\$ 12,397 17		00.75%
" Motive Power	108,397 91		08.22%
" Maintenance of Way		\$121,839 58	12.39%
" Maintenance of Cars	77,792 75		17.84%

The increase in expenditures, compared with those of the preceding year, is \$76,748.25, or 1.55% per cent.

ANALYSES OF OPERATING EXPENSES, EXCLUDING TAXES.

Per Cent.	1890.		1891.	Per Cent.
65.22 26.22 07.16	\$2,712,185 66	Paid for Labor and Personal Services....	\$2,646,240 59	62.22 45.32 58.05
	1,115,662 62	Paid for Stores	1,347,800 45	32.22
	807,402 80	Insurance, Rents, Miscellaneous Expenses	211,256 58	05.16
	\$4,185,250 58	Total	\$4,204,797 62	

The average number of men employed in 1890 was four thousand and seventy, and in 1891, three thousand nine hundred and sixty-six.

SUMMARY OF EARNINGS AND EXPENSES.

1890.		1891.
\$7,065,758 15	Earnings from all Sources	\$7,590,881 18
4,382,001 55	Operating Expenses	4,458,749 80
2,683,751 60	Net Earnings	3,132,181 38
62.917 1000	Operating Expenses per cent. of Gross Earnings..	58.738 1000

Increase in Gross Earnings	\$525,128 03
Increase in Operating Expenses	76,748 25
Increase in Net Earnings	\$448,379 78

The increase in Net Earnings in 1891, compared with Net Earnings in 1890, is 16.727 per cent.

EARNINGS PER MILE.

1890.		1891.
\$8,877 70	Gross Earnings per mile of Road	\$9,000 33
5,195 64	Operating Expenses per mile of Road	5,286 64
\$3,182 06	Net Earnings per mile of Road	\$3,713 69

TOTAL GROSS EARNINGS FROM FARM PRODUCTS SHIPPED AT LOCAL STATIONS.

Years.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois.	Gross Earnings on Shipments of Farm Products from Local Stations in Missouri.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois and Missouri.	Per Cent. of Gross Earnings on Freight Traffic.	Per Cent. of Gross Earnings on all Traffic.
1881	\$799,324 00	\$301,662 00	\$1,100,986 00	19.84%	14.58%
1882	768,818 00	397,424 00	1,166,237 00	19.88%	14.78%
1883	576,792 90	455,089 32	1,031,882 22	16.84%	11.71%
1884	528,614 67	340,656 49	869,271 16	14.31%	9.88%
1885	599,919 88	232,372 50	832,292 38	16.76%	11.76%
1886	710,747 97	307,541 89	1,018,289 86	18.88%	12.88%
1887	712,440 85	352,561 21	1,065,002 06	17.54%	11.81%
1888	769,141 88	333,659 77	1,102,801 15	22.88%	14.76%
1889	855,372 95	390,045 56	1,245,418 51	25.36%	16.88%
1890	822,803 86	834,547 12	1,157,350 48	25.34%	16.88%
1891	841,357 76	436,465 63	1,277,823 89	25.88%	16.88%
Increase.	\$18,554 40	\$101,918 51	\$120,472 91	0.84%	0.88%

A fraction more than one-fourth of the Gross Earnings from Freight Traffic during the last year was derived from the transportation of Farm Products shipped at local stations.

The average yearly Gross Earnings from such shipments, compared with the Gross Earnings from traffic of all kinds during the last eleven years, is 13.81% per cent. The percentage in 1891 is about three per cent. more than the average for the period of eleven years.

Statements in detail, of which the foregoing is a summary, will be found in the Appendix to this report.

In the first four months of the year the traffic of the road was smaller than in the corresponding months in 1890. From the month of April until the end of the year a very considerable increase of passenger traffic occurred.

In the last half of the year the influence of good crops was manifested and caused the increased Freight Earnings already stated.

The number of passengers carried on your trains was 1,952,465, or 86,117 more than were carried in 1890.

The number of tons of freight carried was 3,501,327, or 101,622 tons more than were carried in 1890.

The average earnings per passenger, per mile, was one cent and nine and one-half mills; an increase of 1.6% of a cent per mile, compared with the average in 1890.

The average Freight Earnings per ton, per mile, was 21.3% of one cent, or 2% of a cent greater than in 1890.

The actual rate charged was in no case higher than in the preceding year. The small increase in average earnings, as above stated, is due to a smaller proportion of cheap fares, and the transportation of a smaller proportion of the classes of freight for which the lowest rates are charged.

For the last ten years, an average of about \$200,000 per annum, have been expended for ballasting. That work is now substantially completed, which will account for the reduced expenditures reported under the head of Maintenance of Way, and also for the greater part of the reduced percentage of Operating Expenses in which such expenditures are included.

Your rolling stock consists of 228 locomotives, 161 cars for use in passenger trains (including twenty-five Pullman Sleeping Cars) and 7,660 freight cars. Four passenger cars and twelve caboose cars, included in the foregoing statement, have been constructed by the Company at its shops during the last year.

The cost of additional property acquired, and the cost of work done and material purchased for a second main track between Pontiac and Lexington, $18\frac{3}{8}$ miles, during the year is \$200,220.08.

There has been expended in the construction of the track last referred to, including the cost of all cross ties and steel rails needed for it, \$107,332.17. This track will soon be completed. There will then remain only $7\frac{1}{8}$ miles of single main track for a distance of $126\frac{1}{8}$ miles between Chicago and Bloomington.

Four hundred and sixty-nine miles of track are ballasted with rock, 171 miles with cinder from blast furnaces, and 201 miles with gravel.

The bridges and culverts on your road are nearly all of steel, iron, or stone.

The condition of your road has been in all respects improved from year to year for the last ten years or more, and will now, in its permanent way, bridges, structures, and rolling stock, compare favorably with the best roads in the United States.

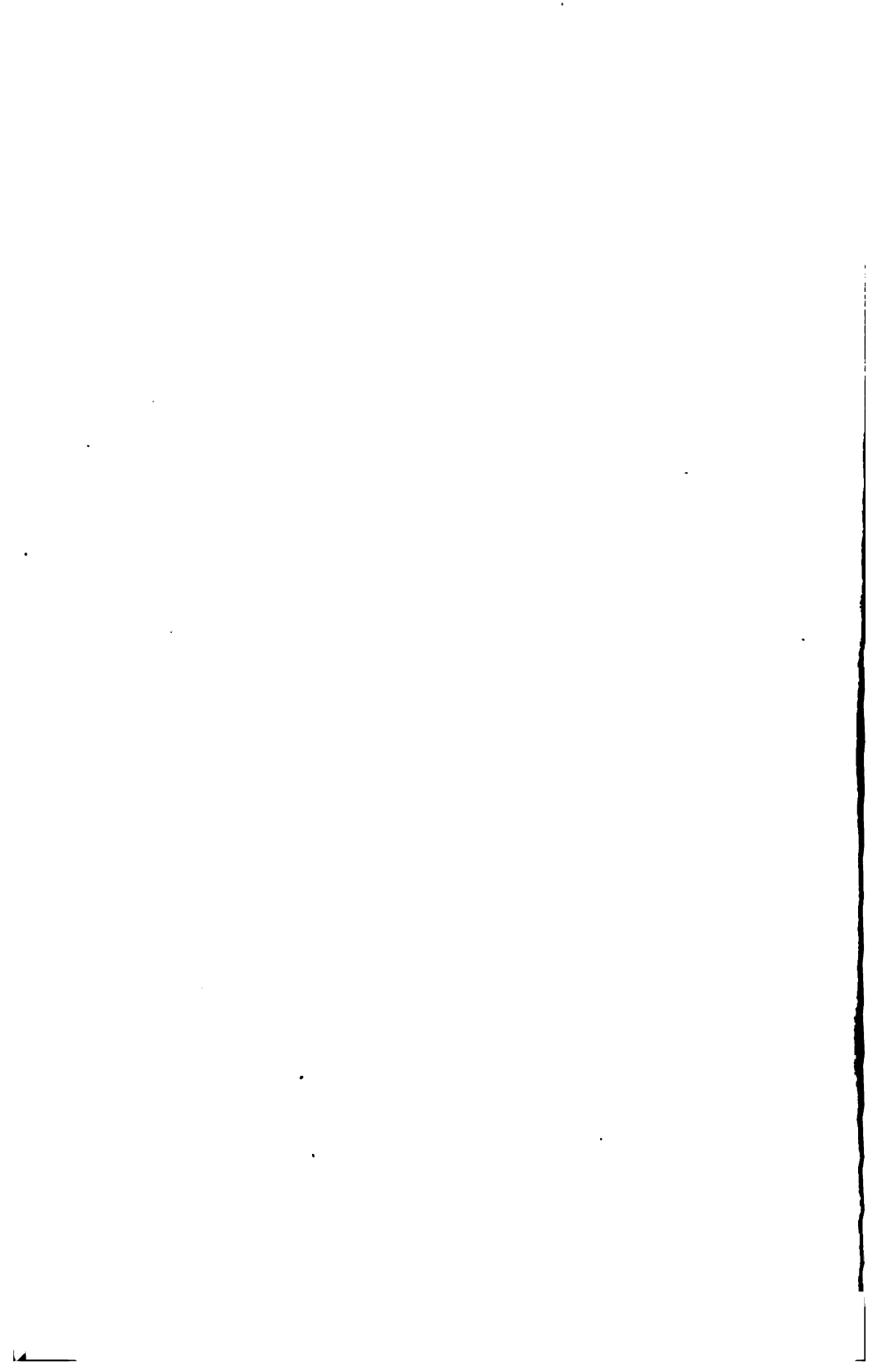
For the efficient services rendered by your officers in the several departments, and all persons employed under their direction, our acknowledgments are due.

Your attention is invited to the Tabular Statements and Accounts which will be found in the Appendix to this report.

By order of the Board,

T. B. BLACKSTONE,
President.

APPENDIX.



APPENDIX.

AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 11, 1892.

To the Board of Directors :

GENTLEMEN : I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31, 1891, and the operations of the road for the fiscal year 1891:

- A — General Balance Sheet.
- B — Income Account.
- C — Additional Property Account.
- D — Gross Earnings from Traffic for the year.
- E — Statement of Monthly Earnings from 1882, and Annual Expenses and Profits.
- F — Passenger Statistics and Comparisons.
- G — Freight Statistics and Comparisons.
- H — Freight Transported.
- I — Statement of Gross Earnings from Shipments of Farm Products in Illinois.
- J — Statement of Gross Earnings from Shipments of Farm Products in Missouri.
- K — Mileage of Cars and Details of Mileage.

Respectfully yours,

CHAUNCEY KELSEY,

Auditor.

A—General Balance Sheet, December 31st, 1891.

To Cost of Road and Equipment.....	\$ 23,175,923 16	By Capital Stock.....	\$17,594,500 00
Cost of Road and Equipment.....	320,993,703 60	Common Stock.....	\$14,115,000 00
Cost of Road Godfrey to Wann.....	216,351 43	Preferred Stock.....	3,479,500 00
Cost of Road Louisiana Branch.....	1,350,537 93	By Capital Stock, Joliet & Chi. R. R., Guaranteed.....	1,500,000 00
Cost of Road Western Division.....	1,115,794 91	By Capital Stock Mississippi Bridge Co., Guar'd.....	300,000 00
Cost of Road Coal City Branch.....	690,416 34	By Funded Debt.....	10,397,850 00
Cost of Joliet & Chicago R. R.....	2,000,000 00	First Mortgage Bonds, due Jan. 1, 1908.....	2,893,000 00
Cost of Mississippi Bridge.....	1,000,000 00	Consolidated Sterling Bonds, due July 1, 1908.....	4,379,850 00
St. L. J. & C. R. R. Co.'s Bonds Assumed.....	2,407,000 00	St. L. J. & C. R. R. Co.'s 1st Mtg., due April 1, 1893.....	2,893,000 00
St. L. J. & C. R. R. Co.'s Preferred Stock.....	1,054,100 00	St. L. J. & C. R. R. Co.'s 2d Mtg., due July 1, 1893.....	3,929,000 00
St. L. J. & C. R. R. Co.'s Common Stock.....	1,613,100 00	La. & Mo. River R. R. Co.'s 1st Mtg., due Aug. 1, 1900.....	230,000 00
Machinery and Tools in Car Shops.....	946,380 24	Mississippi River Bridge Co. Bonds, due Oct. 1, 1912.....	493,000 00
Machinery and Tools in Car Shops.....	76,586 73	Sinking Fund Gold Bonds, due May 1, 1903.....	607,000 00
To Bonds of other Companies owned by C. & A.....	3,370,086 13	By Bonds Redeemed and Canceled.....	2,075,000 00
Kansas City, St. Louis & Chicago R. R. First Mortgage.....	3,000,000 00	Sinking Fund Bonds.....	2,113,100 00
Mississippi River Bridge Co. First Mtg.....	172,000 00	Sinking Fund Gold Bonds.....	600,000 00
Louisiana & Mo. River R. R. First Mtg.....	84,210 00	Joliet & Chicago R. R. Co.'s Bonds.....	925,000 00
Louisiana & Mo. River R. R. Second Mtg.....	70,000 00	Mississippi River Bridge Co.'s Bonds.....	500,000 00
St. L. Jacksonville & Chicago R. R. First Mtg.....	43,886 13	Louisiana & Mo. River R. R. Co.'s First Mtg.....	98,000 00
To Stock of other Companies owned by C. & A.....	514,600 00	By Current Liabilities.....	100 00
R. R. Co.....	157,600 00	Audited Vouchers and Accounts.....	973,379 93
Kansas City, St. Louis & Chicago R. R. Common.....	300,000 00	Wages and Salaries.....	323,934 76
Mississippi River Bridge Co. Common.....	21,000 00	Net Traffic Balances due Other Companies.....	243,541 64
Kansas City Union Depot Co.....	2,000 00	Unclaimed Dividends.....	783 70
Interstate Industrial Exposition.....	1,000 00	Matured Interest and Coupons, Unpaid.....	115 30
St. Louis Music Hall Association.....	5,000 00	By Rentals accrued, not yet due.....	108,354 00
World's Exposition Co.....	30,000 00	By Unexpended Appropriations for Real Estate in Chicago.....	120,000 00
To Lands owned by C. & A. R. R. Co.....	5,000 00	By New Common Stock, Unissued.....	1,500 00
Ocell Property.....	5,000 00	By Income Account.....	2,646,575 63
Grundy Co. Coal Lands.....	70,000 00		
To Cash and Current Assets.....	1,890,793 30		
Cash.....	1,834,721 97		
U. S. Trust Co.—Applicable for Redemption of Sinking Fund Gold Bonds.....	100,579 73		
Bills Receivable.....	53,586 59		
Due from Agents.....	143,011 16		
Due from Solvent Companies and Individuals.....	247,833 75		
To other Assets.....	978,763 05		
Materials and Supplies.....	1,500 00		
To Illinois Trust and Savings Bank, Trustee.....			
Total.....	\$86,298,568 54	Total.....	\$86,298,568 54

B — Income Account, December 31st, 1891.

To Dividend on Preferred and Common Stock, 1891.....	\$1,407,500 00	By Balance from 1890.....	\$2,422,509 53
To First Mortgage Coupons, due January 1st.....	\$ 53,435 00	By Interest on Bonds owned by Chicago & Alton Railroad Co. K. C., St. L. & C. R. R. Coupons, due May 1st,.....	\$105,000 00
Coupons, due July 1st.....	53,435 00	Coupons, due November 1st.....	105,000 00
To Consolidated Bonds: Coupons, due January 1st.....	182,122 15	Mississippi River Bridge Bonds: Coupons, due April 1st.....	5,250 00
Coupons, due July 1st.....	182,077 60	Coupons, due October 1st.....	5,100 00
To St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds: Coupons, due April 1st.....	102,515 00	Louisiana & Missouri River R. R. Second Mortgage: Coupons due May 1st.....	2,450 00
Coupons, due October 1st.....	102,515 00	Coupons due November 1st.....	2,450 00
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds: Coupons, due January 1st.....	8,050 00	Louisiana & Missouri River R. R. First Mortgage: Coupons due February 1st.....	2,450 00
Coupons, due July 1st.....	8,050 00	Coupons due August 1st.....	2,450 00
To Louisiana & Missouri River R. R. First Mortgage Bonds: Coupons, due February 1st.....	15,367 50	St. Louis, Jacksonville & Chicago R. R. First Mortgage: Coupons, due April 1st.....	1,530 00
Coupons, due August 1st.....	15,367 50	Coupons, due October 1st.....	1,330 00
To Sinking Fund Gold Bonds: Coupons, due May 1st.....	63,990 00	By Dividend on Stocks owned by Chicago & Alton Railroad Co. Mississippi River Bridge, Dividend on Stock April 1st.....	10,500 00
Coupons, due November 1st.....	63,990 00	Dividend on Stock October 1st.....	10,500 00
To Sinking Fund Gold Bonds Redeemed and Cancelled (74).....	\$105,750 00	K. C., St. L. & C. R. R. Dividend on Stock, May 1st.....	5,516 00
To Rentals—Joliet & Chicago R. R.	71,000 00	Dividend on Stock, November 1st.....	5,516 00
Mississippi River Bridge.....	162,137 52	By Miscellaneous Income.....	
La. & Mo. R. R. R.	385,384 90	Interest on Notes of Louisiana & Missouri River R. R. January 1st.....	2,451 30
K. C., St. L. & C. R. R.		June 1st.....	2,451 30
To Louisiana & Missouri River R. R. Stock Purchased 1 share.....	200,500 00	Interest on Sinking Fund.....	1,485 15
To Additional Property.....	4,453,749 80	Rents, etc. from Grundy County Coal Lands.....	1,257 13
To Operating Expenses.....	2,643,576 62	By Operating Receipts.....	7,590,881 18
To Balance.....	\$10,395,957 53		
			\$10,395,957 53

O—Additional Property Account for the Year 1891.

Real Estate.....	\$ 4,837 68	Amount charged to Income Account	\$200,220 08
Second Main Track.....	118,090 26		
Side Tracks.....	88,608 74		
Taylor Street Viaduct, Chicago.....	8,086 10		
Buildings.....	2,815 69		
Four Passenger Cars.....	29,109 57		
Twelve Caboose Cars.....	8,743 04		
	<u>\$200,220 08</u>		<u>\$200,220 08</u>

D—Gross Earnings from Traffic for Year ending December 31st, 1891.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January.....	\$170,772 42	\$816,417 19	\$31,843 18	\$518,532 74
February	140,332 98	318,789 22	26,658 97	485,731 17
March	162,570 37	330,697 36	33,617 69	526,885 42
April	157,375 89	343,585 47	31,104 73	532,066 09
May.....	169,433 36	353,512 42	29,344 82	551,340 60
June.....	184,907 66	377,069 44	32,583 96	594,561 06
July	212,135 71	471,482 06	32,909 85	716,527 62
August	226,468 74	531,792 94	33,319 68	791,581 36
September	227,372 36	553,151 43	33,394 79	813,919 08
October.....	215,836 23	527,524 35	34,097 78	777,458 36
November	167,915 98	460,411 49	34,884 17	663,161 59
December	171,669 83	414,731 50	32,714 76	619,116 09
Totals for Year ...	\$2,206,841 98	\$4,998,114 87	\$385,924 33	\$7,590,881 18

E — Monthly Earnings of The Chicago & Alton Railroad Company.

MONTHS.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.
January	\$550,380 61	\$546,886 29	\$556,641 80	\$546,884 70	\$557,840 75	\$572,509 42	\$506,378 02	\$496,317 19	\$570,378 59	\$518,582 74
February	517,396 81	537,383 68	573,384 25	537,328 44	542,136 74	584,409 35	486,482 95	521,441 99	525,996 90	485,731 17
March	558,699 98	606,694 13	687,918 46	680,850 56	612,647 11	715,754 86	557,887 08	518,983 06	570,249 94	536,888 42
April	564,660 75	600,877 77	607,381 18	591,636 62	576,634 24	654,049 34	553,376 88	518,301 22	560,521 87	533,066 09
May	559,577 18	646,729 67	652,661 51	591,091 00	595,384 69	631,018 64	600,081 12	569,590 21	585,756 15	551,340 60
June	617,250 48	667,507 81	688,069 74	591,200 21	637,454 04	717,189 53	595,220 63	580,945 09	530,733 88	594,561 06
July	708,635 48	731,502 98	780,944 17	668,392 70	715,165 75	817,640 78	681,646 11	680,450 82	576,724 00	716,527 62
August	856,397 85	886,556 44	869,903 55	728,004 68	741,251 54	884,900 93	728,618 63	796,708 50	608,279 31	791,581 36
September	912,691 79	934,945 57	916,964 08	753,826 36	777,413 50	842,061 93	716,378 65	785,184 22	659,613 97	813,979 08
October	858,673 70	901,618 75	889,037 23	767,046 91	808,949 22	908,373 17	805,351 01	798,659 69	726,546 65	777,458 36
November	749,915 59	801,187 83	753,856 74	738,038 28	758,417 25	801,880 07	630,431 96	660,279 68	600,387 72	668,161 59
December	701,065 80	749,219 96	692,711 51	703,926 87	737,121 51	746,599 29	601,643 15	600,304 74	553,963 18	619,116 09
Total	\$8,215,095 12	\$8,810,610 38	\$8,709,274 22	\$7,908,169 33	\$8,060,639 34	\$8,941,386 31	\$7,511,465 19	\$7,516,616 44	\$7,065,758 15	\$7,590,881 18
Expenses, including taxes, }	\$4,684,508 50	\$5,097,083 62	\$5,133,730 16	\$4,612,847 40	\$4,650,956 18	\$5,270,202 84	\$4,968,064 45	\$4,571,735 99	\$4,389,001 55	\$4,458,749 89
Profits	\$3,530,991 62	\$3,713,527 76	\$3,575,484 06	\$3,295,321 93	\$3,409,684 16	\$3,671,183 47	\$2,543,380 74	\$2,944,880 45	\$2,686,756 60	\$3,132,131 28

F—Statement of Passenger Statistics and Comparisons.

DESCRIPTION.	1888.	1889.	1890.	1891.	INCREASE.	DECREASE.	PER CENT.
Total Number of Passengers Traveled, of Through Passengers.	1,830,535	1,717,678	1,866,348	1,952,465	86,117	.....	04.91%
Total Number of Local Passengers.	147,825	118,210	147,580	133,414	.....	14,166	09.58%
Total Number of Local Passengers.	1,682,710	1,599,468	1,718,768	1,819,051	160,283	.....	05.83%
Percentage of Local Passengers to Whole Number.	91.94%	93.11%	92.93%	93.16%	1.00%	.....	01.10%
Number of Local Passengers Moved North.	8,918	6,882	7,907	6,833	.....	1,074	13.68%
Number of Local Passengers Moved South.	832,198	798,203	863,620	908,907	45,287	.....	05.36%
Number of Through Passengers Moved North.	850,512	801,265	855,148	910,144	54,096	.....	06.33%
Number of Through Passengers Moved South.	71,160	58,346	74,034	66,402	.....	7,632	10.80%
Number of Through Passengers Moved North.	76,665	59,804	73,546	67,012	.....	6,534	08.57%
Number of Through Passengers Moved South.	118,007,585	164,000,108	117,016,312	112,463,560	.....	4,552,752	03.88%
Average Distance Traveled by Each Passenger.	64.46	60.54	62.62	57.60	.....	5.02	08.13%
Number of Passengers Carried One Mile.	65,370,465	61,927,225	64,516,776	67,032,408	2,515,632	.....	03.88%
Average Distance Traveled by Each Local Passenger.	38.44	38.17	31.11	36.85	5.13	.....	16.11%
Average Rate Paid per Mile by Local Passengers.	1.61	2.13	1.70	1.70	.....	.....	09.36%
Average Rate Paid per Mile by Through Passengers.	2.17	2.35	2.13	2.13	.....	.....	02.88%
Average Rate Paid per Mile by Through Passengers.	1.61	1.64	1.82	1.63	.....	.....	18.11%
Average Fare Paid by Each Passenger.	60.10	51.00	55.00	54.00	.....	1.00	01.80%
Number of Pieces of Baggage Handled.	\$1.21	\$1.29	\$1.13	\$1.13	.....	.....	.....
Earnings from Excess Baggage.	885,365	872,183	884,131	886,140	2,009	.....	00.22%
	\$ 25,377 55	\$ 22,989 36	\$ 27,441 59	\$ 29,266 31	\$1,824 72	.....	06.10%

G — Freight Statistics and Comparisons.

	1887.	1888.	1889.	1890.	1891.	INCREASE.	DECREASE.	PER CENT.
Tonnage of Freight Transported.....	4,123,120	3,785,160	3,461,391	3,399,705	3,501,327	101,622	.....	02.189
Tonnage of Local Freight.....	3,083,412	2,984,774	2,620,834	2,634,474	2,769,933	135,459	.....	05.100
Percentage of Whole Tonnage—Local	74.100	78.85	75.100	77.42	79.100	01.62	.....	02.189
Tonnage of Through Freight.....	1,039,708	800,386	840,557	765,231	731,394	.....	33,837	04.422
Percentage of Whole Tonnage—Through.....	25.100	21.15	24.88	22.51	20.88	.....	01.100	07.100
Revenue Freight Carried One Mile, in Tons.....	641,651,562	533,866,327	537,301,926	519,689,191	547,472,045	27,782,854	.....	05.348
Average Rate per Ton per Mile on Revenue Freight.....	00.400	00.300	00.100	00.100	00.100	00.100	.....	03.300
Average Distance each Ton was Carried.....	155.623	141.042	155.100	152.100	157.100	4.100	.....	02.100

H — Freight Transported.

ARTICLES.		1885.	1886.	1887.	1888.	1889.	1890.	1891.	INCREASE.	DECREASE.
Merchandise and Sundries.										
Iron	Tons.	613,731	747,883	844,985	764,835	822,019	764,615	740,131	4,917	84,484
Coal	"	132,775	139,013	215,631	18,834	168,146	123,978	127,136		84,773
"	"	1,390,835	1,393,613	1,583,975	1,838,825	1,000,063	1,170,182	1,093,479		6,788
Grain and Mill Stuffs	"	42,739	38,962	28,135	43,407	35,585	25,522	18,734		518
Wool	"	2,738	2,933	3,320	1,710	1,862	790	278		300
Hides	"	5,315	5,343	4,383	3,143	2,067	266	26		
Broom Corn	"	1,962	2,540	1,865	485	470	133	654	431	
Hay	"	27,220	30,911	28,814	82,580	27,732	21,233	25,445	4,212	
Ice	"	164,124	137,596	132,002	125,849	134,062	8,225	57,476	49,251	
Brick and Sand	"	3,576	8,744	12,973	12,762	100,427	20,494	21,516	4,063	
Stone	"	70,151	78,167	108,146	131,270	100,427	112,339	179,868	77,649	
Wheat	Bushels	2,838,663	3,483,066	3,411,138	4,615,512	5,379,714	3,790,093	7,871,563	4,076,845	
Corn	"	8,147,312	3,236,134	4,752,031	4,320,117	6,186,787	9,700,146	7,350,941		
Oats	"	3,830,310	3,719,791	4,254,230	5,480,473	4,784,908	4,324,131	4,690,630	386,469	2,474,305
Barley	"	453,028	515,378	566,540	1,035,198	184,616	254,083	94,324		189,804
Rye	"	81,378	22,735	22,735	103,641	188,163	67,496	281,846	214,850	
Potatoes	"	228,028	294,210	215,715	236,970	233,458	213,250	287,975	74,725	
Flour	Barrels	324,308	471,765	528,324	509,774	491,812	375,783	406,578	59,785	
Whisky	"		57		6,978	11,811	13,487	7,853		4,905
Beef	"	14,454	4,492	21,777		972,869	274,744	325,864	51,850	
Pork	"	51,234	116,763	73,674	88,296	134,069	156,068	171,070	14,463	
Lard	"	41,463	35,111	25,514	25,738	53,239	51,818	43,331		8,884
Salt	"	97,466	65,879	67,831	67,008	43,683	37,713	31,738		5,994
Lumber	Feet.	133,485,968	141,278,614	130,063,903	102,450,594	83,270,222	88,823,622	98,065,723	4,778,201	
Shingles	M.		127	251	3,211	9,649	11,433	20,108	8,686	
Lath.										
Posts, Staves, etc.	Cords.	15,321	12,019	10,969	15,059	9,174	11,932	6,533		5,400
Cattle	No.	884,185	358,676	472,132	519,013	447,746	437,946	446,166	8,230	
Hogs	"	1,031,235	786,660	637,593	685,232	676,334	684,173	632,976		60,387
Sheep	"	107,314	96,414	163,016	839,041	306,786	296,787	298,894	30,087	
Horses	"	14,594	20,988	24,224	24,407	30,051	23,760	30,847		2,463
Milk	Gallons	547,776	580,360	682,372	709,136	831,157	873,432	677,880		180,803
Cured Meats	Tons.	2,796	289	285						
Cotton	"	20,085	35,462	37,693	29,361	22,384	33,849	40,694	6,845	
Bullion	"				1,463	13,647	1,564	2,145		
Railroad Ties	No.	4,243	305,671	216,145	18,232	4,088	18,200	54,088		11,060
Seeds	Tons.	300	2,145	4,679	1,291	1,100	4,394	3,038		1,171
Clay	"	3,044	6,363	39	1,852	3,768	4,908	3,147		1,761
Drain Tile	"	11,653	11,767	7,396	7,643	10,053	13,876	11,199		3,677
Lime	"	8,043	10,377	10,331	9,968	7,880	7,874	7,880		308
Straw Board	"	8,886	7,063	6,094	9,579	9,047	7,776	7,511		367

I—Statement of Gross Earnings from Shipments of Farm Products in Illinois.

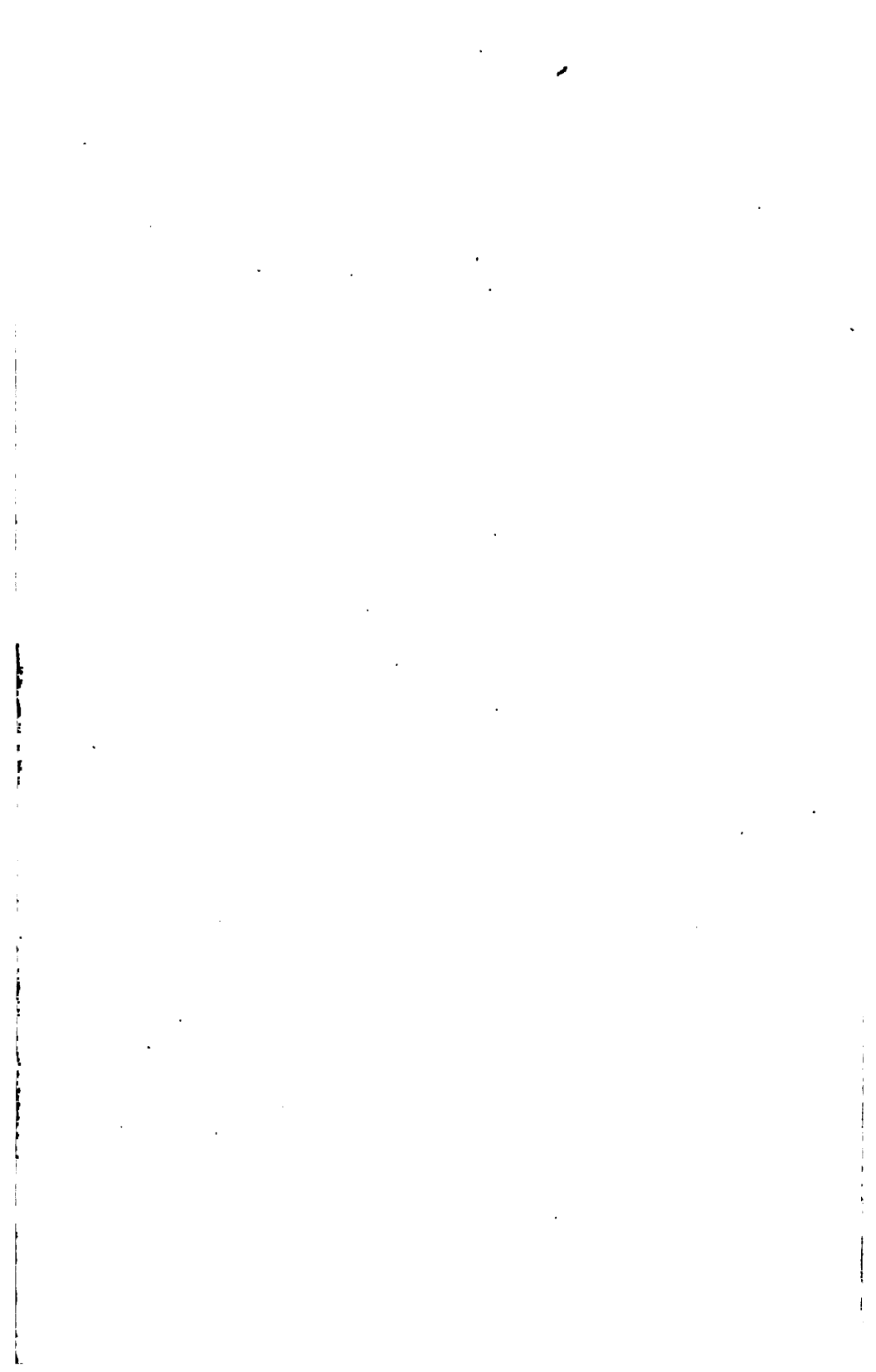
YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent. of Gross Earnings from State in Illinois.	Per cent. of Gross Earnings from State in Illinois.
1881.....	\$ 78,364 00	\$347,367 00	\$65,560 00	\$ 81,817 00	\$162,481 00	\$63,735 00	\$798,324 00	18.8%	13.7%
1882.....	109,146 00	322,743 00	68,688 00	84,575 00	183,850 00	50,811 00	768,813 00	16.7%	12.3%
1883.....	90,471 24	188,100 54	69,497 54	96,225 00	103,700 00	78,798 58	576,792 90	12.6%	9.7%
1884.....	79,655 11	110,162 81	85,120 19	88,775 00	118,900 00	46,101 56	528,614 67	12.6%	9.7%
1885.....	33,203 09	186,291 78	103,624 74	90,200 00	129,650 00	56,950 22	590,919 83	14.8%	10.3%
1886.....	88,425 36	242,810 10	107,811 17	106,475 00	125,225 00	40,501 84	710,747 97	18.1%	12.7%
1887.....	158,953 71	193,323 60	112,517 67	97,125 00	99,175 00	51,345 87	712,440 85	16.7%	11.7%
1888.....	176,558 69	199,047 18	148,845 50	74,200 00	97,350 00	73,640 01	769,141 38	20.3%	13.5%
1889.....	144,851 76	315,535 92	136,829 17	100,675 00	80,825 00	77,656 10	855,872 95	22.7%	15.9%
1890.....	105,792 41	347,188 08	124,944 41	87,675 00	100,700 00	56,503 51	832,803 86	23.7%	15.8%
1891.....	213,484 97	332,238 10	101,943 65	65,725 00	68,800 00	59,666 04	841,367 76	22.0%	14.6%
Increase in 1891.....	107,692 56	.....	.....	.....	.....	8,162 53	18,554 40	01.6%	00.7%
Decrease in 1891.....	.....	14,949 93	23,000 76	21,950 00	32,400 00	.....	.....	.....	.....

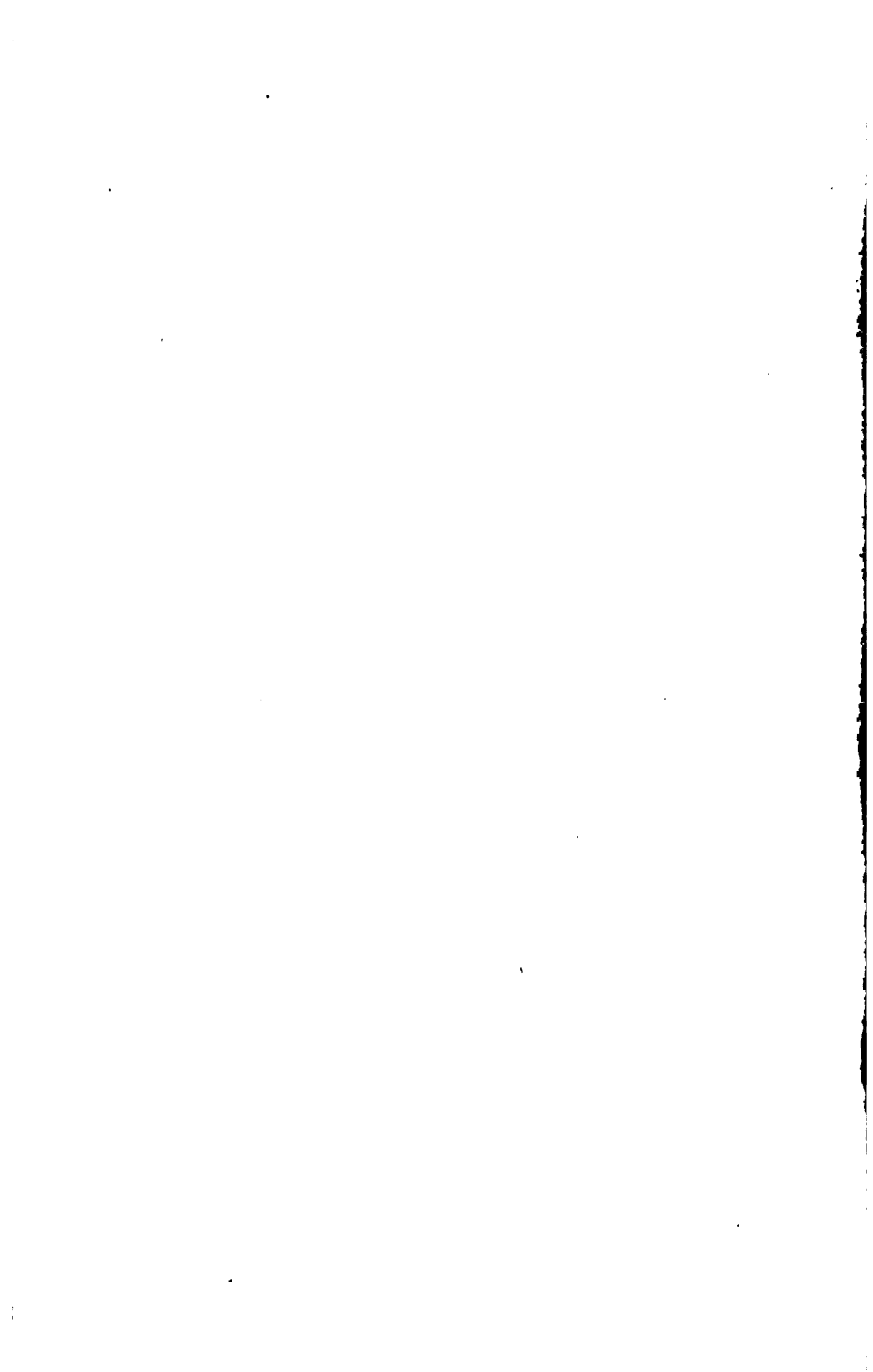
K—Mileage of Cars and Details of Mileage, 1890 and 1891.

	1890.	1891.	INCREASE.	DECREASE.	PER CENT.
Miles run by C. & A. Sleeping Cars on C. & A. R. R.....	1,609,392	1,728,573	119,181	.....	07.466
Miles run by Foreign Sleeping Cars on C. & A. R. R....	580,722	694,861	114,139	.....	19.666
Miles run by Dining Cars on C. & A. R. R.....	223,505	185,096	.....	38,409	17.186
Miles run by C. & A. Coaches on C. & A. R. R.....	5,375,895	5,237,854	.....	138,041	02.566
Miles run by C. & A. Coaches on Foreign Roads.....	375,323	363,688	.....	11,635	03.106
Miles run by Foreign Coaches on C. & A. R. R.....	326,619	335,373	8,754	.....	02.686
Miles run by Pay Car.....	26,920	28,288	1,362	.....	05.106
Miles run by C. & A. Mail, Express and Postal Cars on C. & A. R. R.	2,821,231	2,812,665	.....	8,566	00.306
Miles run by Foreign Baggage, Mail and Ex. Cars on C. & A. R. R.	167,273	126,409	.....	40,864	24.436
Number of C. & A. R. R. Cars hauled Loaded, in Regular Service.	515,013	512,903	.....	2,110	00.406
Mileage of C. & A. R. R. Cars hauled Loaded, in Regular Service	30,436,490	30,338,948	.....	97,542	00.326
Number of C. & A. R. R. Cars hauled Empty, in Regular Service.	277,226	275,425	.....	1,801	00.656
Mileage of C. & A. R. R. Cars hauled Empty, in Regular Service.	15,439,589	15,609,567	229,978	.....	01.466
Number of C. & A. R. R. Cars hauled Loaded, in Construction Trains.	27,011	15,825	.....	11,186	41.466
Mileage of C. & A. R. R. Cars hauled Loaded, in Construction Trains	835,488	453,079	.....	402,409	47.706
Number of C. & A. R. R. Cars hauled Empty, in Construction Trains	28,054	17,105	.....	10,949	39.036
Mileage of C. & A. R. R. Cars hauled Empty, in Construction Trains	898,879	494,453	.....	404,426	44.936
Number of Foreign and Line Cars hauled Loaded.....	249,735	261,706	11,971	.....	04.766
Mileage of Foreign and Line Cars hauled Loaded.....	15,689,455	17,331,414	1,641,959	.....	10.466
Number of Foreign and Line Cars hauled Empty.....	149,409	171,738	22,329	.....	14.936
Mileage of Foreign and Line Cars hauled Empty.....	8,779,574	10,705,371	1,925,797	.....	21.936
Whole Number of Loaded Cars hauled, in Regular Service.....	764,748	774,609	9,861	.....	01.306
Mileage of Loaded Cars hauled, in Regular Service.....	46,125,945	47,670,362	1,544,417	.....	03.336
Whole Number of Empty Cars hauled, in Regular Service.....	426,635	447,163	20,528	.....	04.816
Mileage of Empty Cars hauled, in Regular Service.....	24,219,163	26,374,938	2,155,775	.....	08.906

K — Mileage of Cars, etc. — (Continued.)

	1860.	1891.	INCREASE.	DECREASE.	PER CENT.
Whole Number of Cars hauled, in Regular Service, Loaded and Empty.....	1,191,383	1,221,772	30,389	.....	02.551 1000
Total Freight Mileage, Cars hauled, in Regular Service, Loaded and Empty.....	70,345,108	74,045,300	3,700,192	.....	05.260 1000
Car Cent. of whole Mileage, Loaded.....	65,571	64,880	.....	01,191	01.190 1000
Car Cent. of whole Mileage, Empty.....	34,782	35,420	01,138	.....	03.462 1000
Mileage of C. & A. Cars on Foreign Roads.....	28,954,330	22,005,732	.....	6,948,598	23.998 1000
Total Mileage of C. & A. Freight Cars.....	76,584,776	68,961,779	.....	7,622,997	09.964 1000
Average Revenue Tonnage of each Loaded Car hauled, in Regular Service.....	11,867	11,485	382	.....	01.935 1000
Average Revenue Tonnage of each Car hauled, in Regular Service, Loaded and Empty.....	7,888	7,189	699	.....	08.967 1000
Tonnage of Company's Freight not embraced in above figures...	190,470	169,976	.....	20,494	10.766 1000





THIRTIETH ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

CHICAGO & ALTON

RAILROAD COMPANY,

FOR THE

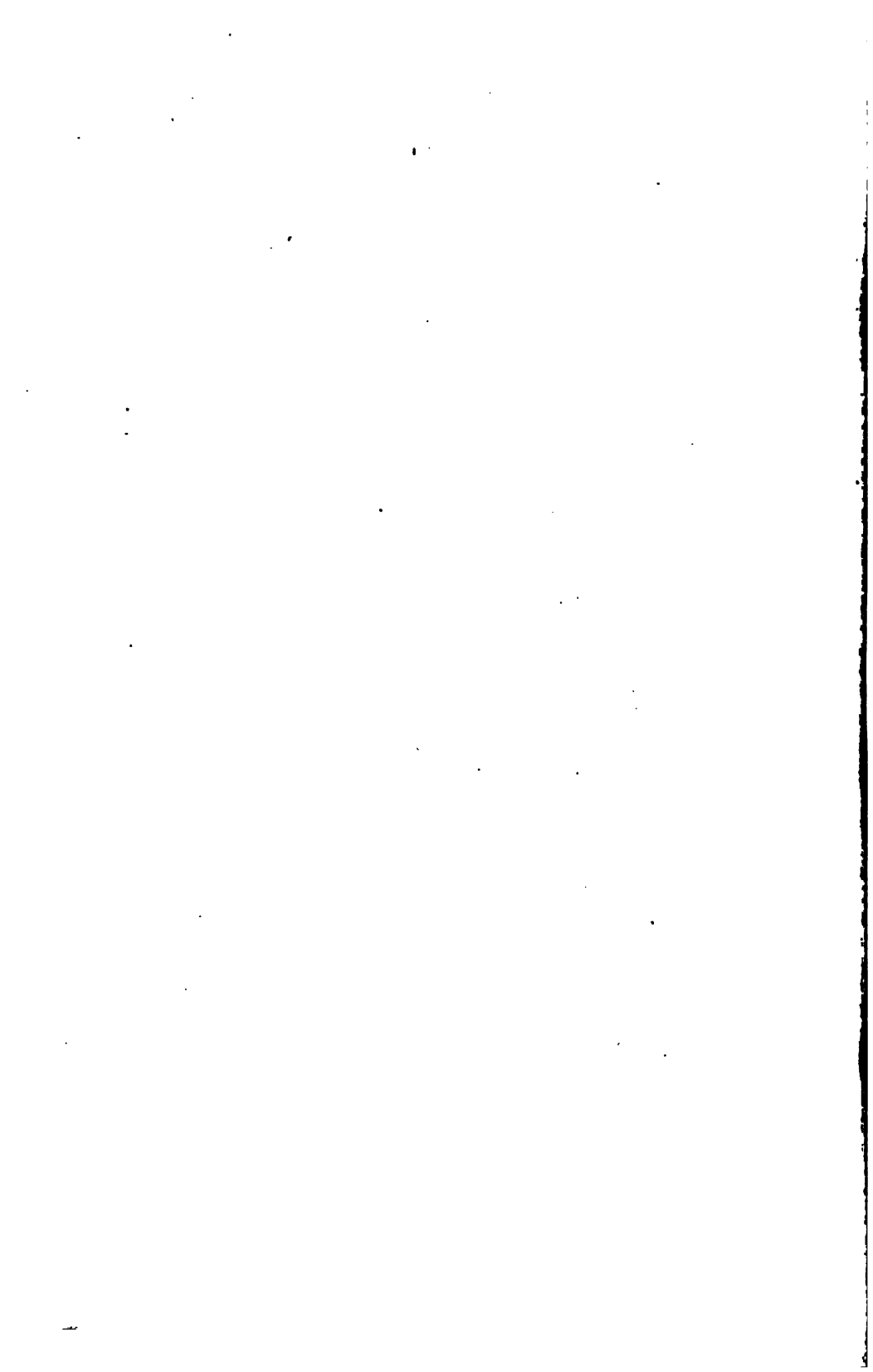
YEAR ENDING DECEMBER 31, 1892.

ISSUED FEBRUARY, 1893.

CHICAGO:

RAND, McNALLY & Co., PRINTERS, 166-172 ADAMS ST.

1893.

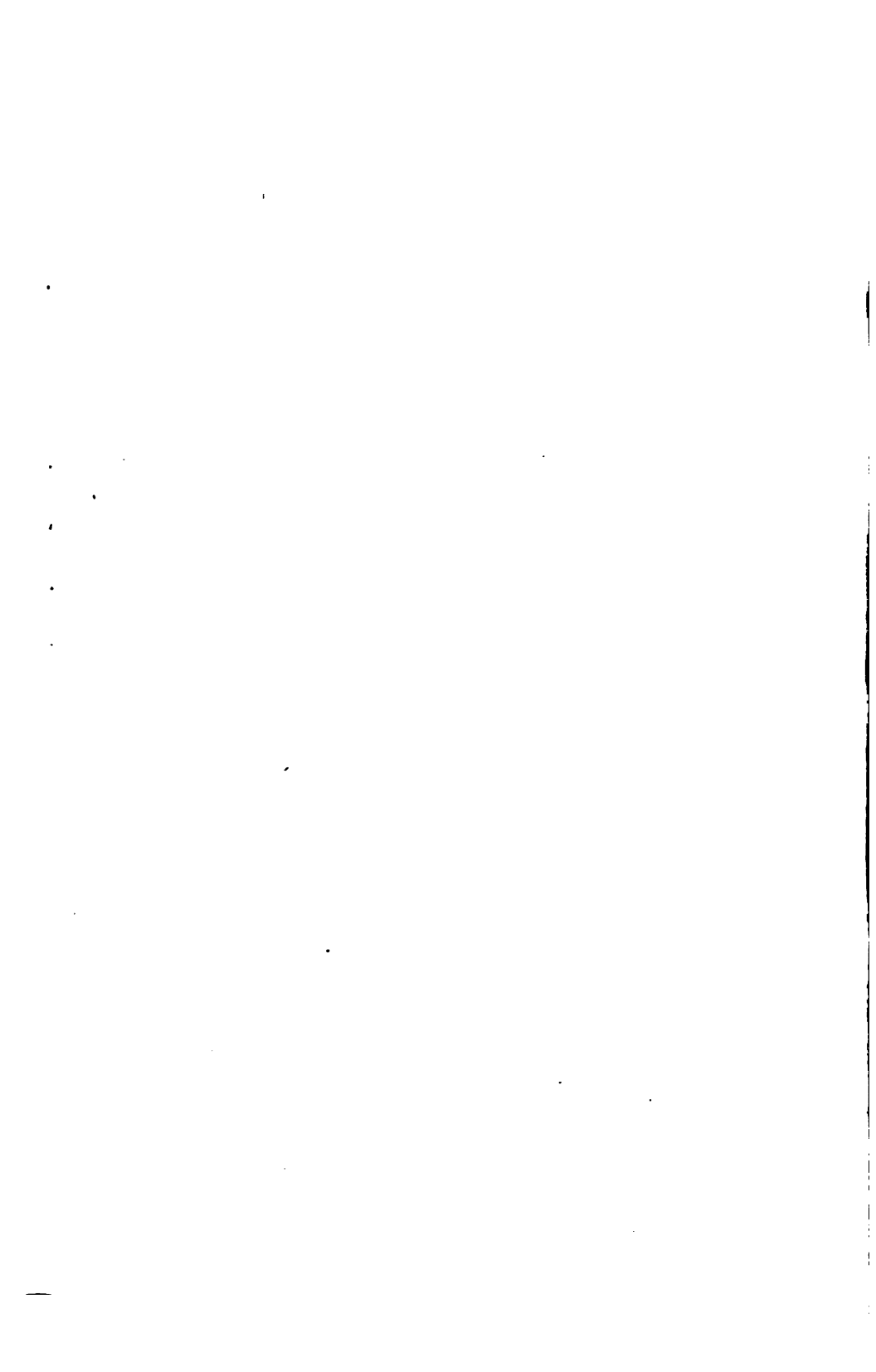


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1893.



DIRECTORS.

JAMES C. McMULLIN	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1898.
JOHN A. STEWART.....	NEW YORK.	
ALBERT A. SPRAGUE	CHICAGO, ILL.	
JOHN J. MITCHELL.....	ST. LOUIS, MO.	} Term of Service Expires first Monday in April, 1894.
W. N. BLACKSTONE.....	NORWICH, CONN.	
A. C. BARTLETT.....	CHICAGO, ILL.	
T. B. BLACKSTONE.....	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1895.
JOHN B. DRAKE.....	CHICAGO, ILL.	
MORRIS K. JESUP.....	NEW YORK.	

OFFICERS.

T. B. BLACKSTONE.....	<i>President.</i>
J. C. McMULLIN.....	<i>Vice-President.</i>
CHARLES H. FOSTER.....	<i>Secretary and Treasurer.</i>
CHAUNCEY KELSEY.....	<i>Auditor.</i>
WILLIAM BROWN.....	<i>General Solicitor.</i>
CHARLES H. CHAPPELL....	<i>General Manager.</i>
W. E. GRAY.....	<i>Superintendent of Transportation.</i>
J. H. WOOD.....	<i>General Manager's Assistant.</i>
H. H. COURTRIGHT.....	<i>General Freight Agent.</i>
JAMES CHARLTON.....	<i>General Passenger and Ticket Agent.</i>
H. C. DRAPER.....	<i>Chief Engineer.</i>
JACOB JOHANN.....	<i>Superintendent of Machinery and Cars.</i>
A. V. HARTWELL	<i>Purchasing Agent.</i>
A. M. RICHARDS.....	} <i>Division Superintendents.</i>
W. K. MORLEY	

DIRECTORS' THIRTIETH ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company:

The Board of Directors submit the following Report for the year ending December 31, A. D. 1892:

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS		
Chicago to East St. Louis.	280.70	100.05	117.69	498.44
Coal City Line.	24.48	.....	15.08	39.56
Dwight to Washington and Lacon	79.80	.....	6.60	86.40
Roodhouse to Kansas City.	250.42	1.17	68.80	314.89
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.	158.00	.....	19.57	177.57
Mexico to Cedar City.	50.00	.....	4.29	54.29
Total Miles.	843.40	101.22	226.58	1,171.15

The foregoing tabular statement includes 18 $\frac{22}{100}$ miles of second main track and 3 $\frac{2}{10}$ miles of side tracks, constructed during the year.

With the exception of 33 $\frac{19}{100}$ miles of side tracks, and one mile of main track on a Branch line, all tracks are laid with steel rails. The standard weight of steel rails on your lines is 70 lbs. per yard.

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares.....	16,269,800 00
Total amount of Stock.....	\$19,748,800 00

MORTGAGE BONDS AND OTHER OBLIGATIONS.

St. Louis, Jacksonville & Chicago Railroad First Mortgage 7 per cent. Bonds, due April 1, 1894, assumed by your Company.....	\$2,929,000 00
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Bonds, due July 1, 1898, assumed by your Company.....	280,000 00
Louisiana & Missouri River Railroad First Mortgage 7 per cent. Bonds, due August 1, 1900, assumed by your Company in settlement of Accounts under Contract for Construction, dated July 5, A.D. 1870	439,000 00
Chicago & Alton Sinking Fund 6 per cent. Gold Bonds, due May 1, 1903	1,982,000 00
Consolidated Chicago & Alton 6 per cent. Sterling Bonds, due July 1, 1903—\$900,000, say.....	4,879,850 00
Mississippi River Bridge Company's First Mortgage Sinking Fund 6 per cent. Bonds, due October 1, 1912, assumed by your Company under terms of lease....	593,000 00
Total amount of Bonds.....	\$10,502,850 00

Joliet and Chicago Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed,	\$1,500,000 00
Mississippi River Bridge Company's Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	800,000 00
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent. annual dividends are guaranteed,	1,750,000 00
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent. per annum, are contingent upon gross earnings....	271,700 00 3,821,700 00
Total.....	\$34,078,350 00

The Louisiana & Missouri River Railroad is operated by your Company under a lease, which, by its terms, is to continue one thousand years from the first day of August, A. D. 1870. The lease provides that each year all taxes and assessments shall be deducted from the gross earnings of the road, and 35 per cent. of the remainder shall be the amount of rent for that year.

The lines of railway operated by your Company, the bridges over the Mississippi and Missouri Rivers, and all other property appurtenant thereto, are owned by it, subject to the mortgages and other obligations above stated.

The common capital stock of the Company has been increased by the issue and sale to its shareholders of 21,553 full shares, and fractions amounting to 308½ shares, at the rate of \$114 per share, and the First Mortgage Bonds of this Company amounting to \$2,383,000; its Sinking Fund Gold Bonds, amounting to \$143,000, and Bonds of the Mississippi River Bridge Company amounting to \$14,000, have been paid and cancelled during the last year.

The net result of such increase in the amount of common stock, and the cancellation of Bonds, as above stated, is a reduction of \$353,875 in the total stock and bonded obligations of the Company.

REVENUE.

The Gross Earnings from Traffic, and Interest on temporary investments of surplus, during the last year were	\$8,008,476 14
The Total Disbursements during the same period for Operating Expenses, Taxes, Rent of Leased Lines, Interest on Bonds, and Dividends were.....	7,698,520 09
Balance	\$ 309,956 05

INCOME ACCOUNT.

By Balance December 31, 1891.....	\$2,646,575 62
By Interest on Bonds, Dividends on Stocks owned by your Company, and Sundry Receipts.....	578,788 11
By Gross Receipts from Traffic.....	7,730,610 52
	<u>\$10,955,969 26</u>

DISBURSEMENTS.

Interest on Funded Debt.....	\$ 804,107 91
Dividends	1,407,560 00
Rent paid Joliet & Chicago R. R. Co.	105,750 00
“ “ Louisiana & Missouri River R. R. Co.....	161,468 47
“ “ Kansas City, St. Louis & Chicago R. R. Co.	335,835 00
“ “ Mississippi River Bridge Co.....	71,000 00
Paid for Sinking Fund Bonds, purchased	169,985 88
Paid and appropriated from this Account for Additional Property, Locomotives, Real Estate, New Buildings and New Tracks.....	283,841 42
Operating Expenses, including Taxes	<u>4,807,798 71</u>
	8,102,847 34
Balance, December 31, 1892.....	<u>\$2,853,621 92</u>

The following Statements show the Earnings and Expenses during 1891 and 1892 :

GROSS EARNINGS.

PER CENT.	1891.		1892.	PER CENT.
29.77%	\$2,206,841 98	From Passengers	\$2,351,242 47	30.71%
65.54%	4,998,114 87	“ Freight	4,988,596 49	64.78%
02.78%	172,259 45	“ Express	172,700 00	02.78%
02.78%	168,185 02	“ Mails	181,709 24	02.78%
00.78%	45,529 86	“ Miscellaneous	41,862 83	00.78%
	\$7,690,881 18	.....Total Earnings.....	\$7,730,610 58	

The Gross Earnings from Traffic in 1892, compared with those of 1891, are as follows :

	INCREASE.	DECREASE.	PER CENT.
From Passenger Traffic	\$144,400 49	.....	06.54%
“ Freight “ .....	.....	\$14,518 38	00.78%
“ Express “	440 55	.....	00.78%
“ Mail “	18,574 22	.....	08.71%
“ Miscellaneous Sources .....	.....	4,167 53	09.78%

The increase in Gross Earnings in 1892, compared with those of the preceding year, is \$139,729.35 or 01.841 per cent.

OPERATING EXPENSES.

PER CENT.	1891.		1892.	PER CENT.
87.22%	\$1,659,045 59	For Conducting Transportation	\$1,792,274 09	87.22%
81.48%	1,424,772 35	“ Motive Power	1,366,217 87	81.48%
19.78%	861,100 77	“ Maintenance of Way	1,221,574 07	25.78%
11.78%	518,881 09	“ Maintenance of Cars	427,738 18	08.78%
	\$4,458,749 80	.....Total.....	\$4,807,798 71	

The expenditures for operating and maintaining your railroad, compared with those of the preceding year, are as follows :

	INCREASE.	DECREASE.	PER CENT.
For Conducting Transportation	\$138,228 50	.....	08.22%
“ Motive Power .....	.....	\$58,554 98	04.78%
“ Maintenance of Way	860,478 80	.....	41.78%
“ Maintenance of Cars .....	.....	86 097 91	16.78%

The increase in operating expenses, compared with 1891, is \$349,048.91, or 07.822 per cent.

ANALYSES OF OPERATING EXPENSES, EXCLUDING TAXES.

Per Cent.	1891.		1892.	Per Cent.
62.88	\$2,646,240 59	Paid for Labor and Personal Services....	\$2,881,101 02	63.48
32.24	1,847,800 45	Paid for Stores	1,895,004 64	30.18
06.88	211,256 58	Insurance, Rents, Miscellaneous Expenses	262,805 52	05.34
	\$4,204,797 62	.....Total.....	\$4,588,911 18	

	1891.		1892.
8,966		Average number of men employed including work on new tracks, &c.....	4,872
\$2,682,158 84		Aggregate Pay Rolls.....	\$2,924,819 24

SUMMARY OF EARNINGS AND EXPENSES.

1891.		1892.
\$7,590,881 18	.....Earnings from all Sources	\$7,780,610 53
4,458,749 80	.....Operating Expenses.....	4,807,798 71
3,132,131 38	.....Net Earnings.....	2,972,811 82
58.788	..Operating Expenses per cent. of Gross Earnings..	62.182
1000		1000

Increase in Gross Earnings.....	\$189,729 35
Increase in Operating Expenses.....	849,048 91
Decrease in Net Earnings.....	\$209,319 56

The decrease in Net Earnings in 1892, compared with Net Earnings in 1891, is 6.888 per cent.

EARNINGS PER MILE.

1891.		1892.
\$9,000 83	.....Gross Earnings per mile of Road.....	\$9,166 01
5,286 64	.....Operating Expenses per mile of Road.....	5,700 50
\$3,713 69	.....Net Earnings per mile of Road.....	\$3,465 51

TOTAL GROSS EARNINGS FROM FARM PRODUCTS SHIPPED AT LOCAL STATIONS.

Years.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois.	Gross Earnings on Shipments of Farm Products from Local Stations in Missouri.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois and Missouri.	Per Cent. of Gross Earnings on Freight Traffic.	Per Cent. of Gross Earnings on all Traffic.
1881	\$799,324 00	\$301,662 00	\$1,100,986 00	19.54%	14.57%
1882	768,818 00	397,424 00	1,166,237 00	19.82%	14.18%
1883	576,792 90	455,089 32	1,031,882 22	16.54%	11.75%
1884	528,614 67	340,656 49	869,271 16	14.76%	9.92%
1885	599,919 88	282,872 50	882,292 38	16.24%	11.98%
1886	710,747 97	307,541 89	1,018,289 86	18.55%	12.83%
1887	712,440 85	352,561 21	1,065,002 06	17.42%	11.21%
1888	769,141 88	333,659 77	1,102,801 15	22.52%	14.58%
1889	855,872 95	390,045 56	1,245,418 51	25.25%	16.59%
1890	822,908 36	384,547 12	1,157,350 48	25.24%	16.28%
1891	841,857 76	436,465 68	1,277,823 39	25.55%	16.82%
1892	771,242 75	346,600 75	1,117,843 50	22.43%	14.49%
Decrease.	\$70,115 01	\$89,864 88	\$159,977 89	03.12%	02.27%

Statements in detail, of which the foregoing is a summary, will be found in the appendix to this report.

The number of passengers carried on your trains was 2,228,572, or 276,107 more than were carried in 1891.

The number of tons of freight carried was 3,516,151, or 14,824 tons more than were carried in 1891.

The average earnings per passenger, per mile, was one cent and seven and eight-tenths mills; a decrease of $\frac{1.82}{1000}$ of a cent per mile, compared with the average in 1891. This reduced average rate for transporting passengers represents an average saving by each person traveling thirty-six miles (which was the average distance traveled by local passengers, this Company having no suburban traffic) of about six and one-half cents, and an average saving by all passengers of a fraction over ten cents on each journey, and it represents a loss of net revenue to the Company of \$240,307.18.

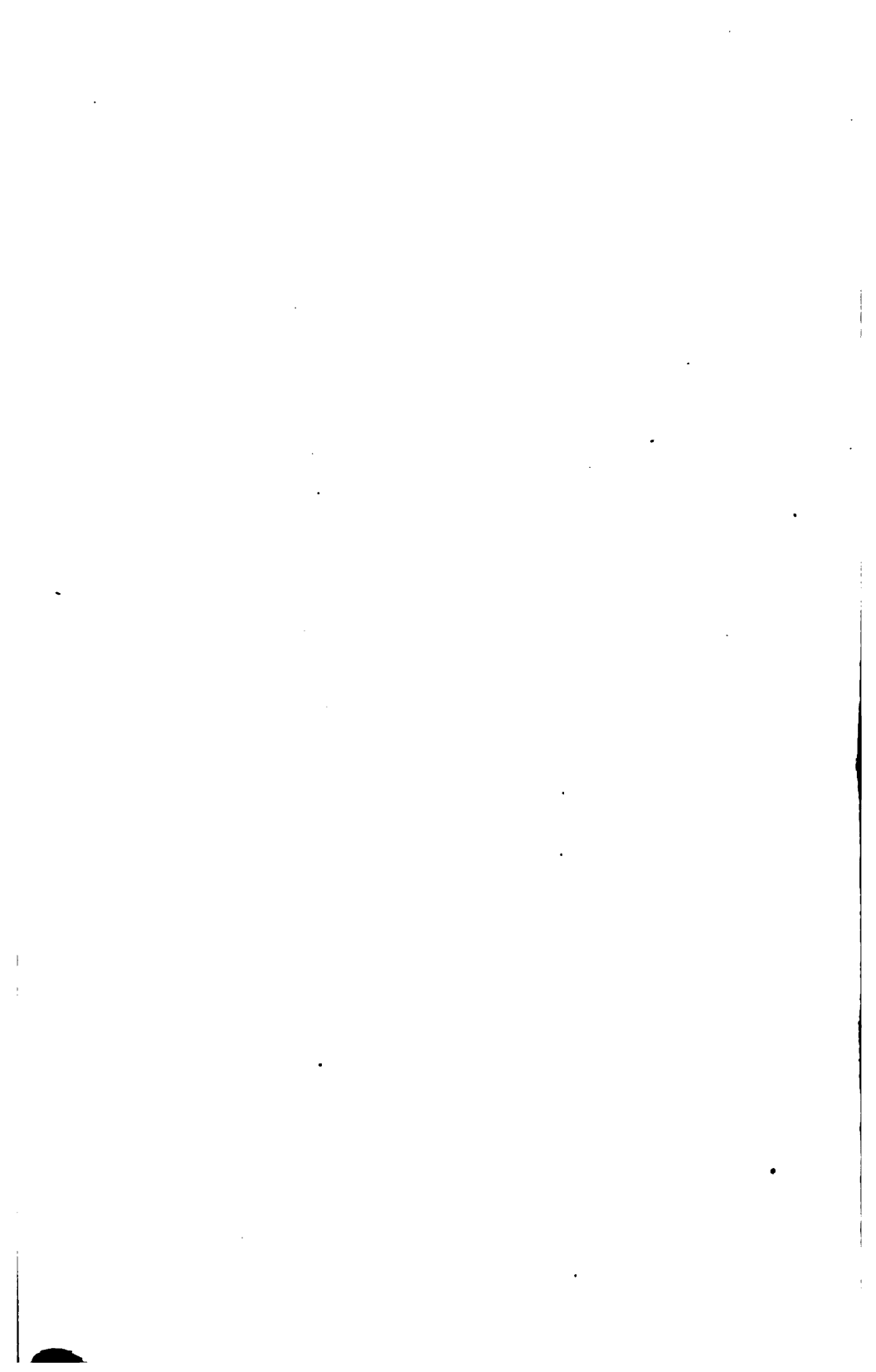
The average freight earnings per ton, per mile, was $\frac{8.28}{1000}$ of one cent, or $\frac{1.16}{1000}$ of a cent less than in 1891. This reduced average rate for transporting freight represents a saving of a fraction over two cents by each person shipping a ton of freight 157 miles, which was the average distance freight was transported, and a loss of net revenue to the Company on the whole amount of freight transported of \$83,284.63.

Your rolling stock consists of 234 locomotives, 178 cars for use in passenger trains (including twenty-four Pullman Sleeping Cars) and 7,660 freight cars, of which six locomotives and eighteen passenger cars have been added during the year.

A—General Balance Sheet, December 31st, 1893.

15

To Cost of Road and Equipment.	\$ 22,175,927 16	By Capital Stock.	\$19,780,568 50
Cost of Road and Equipment.	320,288,702 60	Common Stock.	18,300,000 00
Cost of Road Godfrey to Wau.	316,861 43	Preferred Stock.	3,479,568 50
Cost of Road Louisiana Branch.	1,389,587 82		162 50
Cost of Road Western Division.	1,116,734 91	By Capital Stock, Joliet & Chi. R. R., Guaranteed	1,500,000 00
Cost of Road Coal City Branch.	690,416 34	By Capital Stock Mississippi Bridge Co., Guar'd	900,000 00
Cost of Joliet & Chicago R. R.	2,000,000 00	By Funded Debt.	8,556,860 00
Cost of Mississippi Bridge.	1,000,000 00	Consolidated Sterling Bonds, due July 1, 1908.	4,379,860 00
St. L., J. & C. R. R. Co.'s Bonds Assumed.	2,407,000 00	St. L., J. & C. R. Co.'s First Mtg., due April 1, 1894.	2,929,000 00
St. L., J. & C. R. R. Co.'s Preferred Stock.	1,064,100 00	St. L., J. & C. R. Co.'s Second Mtg., due July 1, 1898.	230,000 00
St. L., J. & C. R. R. Co.'s Common Stock.	1,613,100 00	La. & Mo. River R. R. Co.'s First Mtg., due Aug. 1, 1900.	439,000 00
Machinery and Tools in Car Shops.	246,368 24	Mississippi River Bridge Co. Bonds, due Oct. 1, 1912.	579,000 00
Machinery and Tools in Car Shops.	76,568 73		
To Bonds of other Companies owned by C. & A.	3,884,086 13	By Sinking Fund Gold Bonds, due May 1, 1908.	1,882,000 00
Kansas City, St. Louis & Chicago R. R. First Mortgage.	3,000,000 00	By Bonds Redeemed and Canceled.	2,389,100 00
Mississippi River Bridge Co. First Mtg.	166,000 00	Sinking Fund Bonds.	600,000 00
Louisiana & Mo. River R. R. First Mtg.	84,210 00	Sinking Fund Gold Bonds.	1,118,000 00
Louisiana & Mo. River R. R. Second Mtg.	70,000 00	Joliet & Chicago R. R. Co.'s Bonds.	500,000 00
St. L., Jacksonville & Chicago R. R. First Mtg.	43,828 13	Mississippi River Bridge Co.'s Bonds.	121,000 00
Fairlee R. R. First Mtg.	20,000 00	Louisiana & Mo. River R. R. Co.'s First Mtg.	100 00
To Stock of other Companies owned by C. & A.	607,000 00	By Current Liabilities.	659,712 15
Kansas City, St. Louis & Chicago R. R. Common.	137,600 00	Audited Vouchers and Accounts.	236,800 43
Mississippi River Bridge Co. Common.	800,000 00	Wages and Salaries.	304,755 37
Kansas City Union Depot Co.	45,000 00	Net Traffic Balances due Other Companies.	117,306 43
St. Louis Music Hall Association.	5,000 00	Unclaimed Dividends.	739 70
Lands owned by C. & A. R. R. Co.	70,000 00	Matured Interest and Coupons, Unpaid.	115 80
Grundy Co. Coal Lands.	70,000 00	By Rentals Accrued, not yet due.	106,540 27
To Cash and Current Assets.	1,554,334 39	By New Common Stock, Unissued.	1,500 00
Cash.	1,020,274 54	By Income Account.	2,926,350 85
U. S. Trust Co.—Applicable for Redemption of Sinking Fund Gold Bonds.	144,871 13		
Bills Receivable.	34,739 56		
Due from Agents.	128,180 20		
Due from Solvent Companies and Individuals.	226,318 96		
To other Assets.	389,017 83		
Materials and Supplies.	389,017 83		
To Kansas City, St. Louis & Chicago R. R. Construction.	17,200 26		
To Illinois Trust and Savings Bank, Trustees.	1,500 00		
Total.	\$38,062,615 77	Total.	\$38,062,615 77



APPENDIX.

D—Gross Earnings from Traffic for Year ending December 31st, 1893.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January.....	\$175,785 39	\$388,624 30	\$31,654 67	\$596,064 36
February.....	150,898 71	384,002 39	31,996 16	516,892 26
March.....	173,570 69	371,554 42	35,130 20	580,255 31
April.....	177,199 08	361,812 80	32,708 66	571,220 49
May.....	196,846 07	362,277 42	32,560 29	591,683 78
June.....	285,785 37	343,701 23	33,806 72	663,293 32
July.....	300,538 27	317,947 37	30,420 78	648,906 42
August.....	314,691 96	348,778 59	30,732 64	694,203 19
September.....	370,109 27	384,607 41	33,988 69	788,705 37
October.....	385,299 68	355,134 78	33,260 23	774,294 64
November.....	224,212 01	374,797 89	30,781 89	629,791 79
December.....	145,888 39	330,378 93	35,061 96	511,329 28
Totals for Year ...	\$2,900,819 84	\$4,273,117 48	\$392,702 89	\$7,566,640 21

E — Monthly Earnings of The Chicago & Alton Railroad Company.

Month.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.
January	\$656,641 80	\$646,834 70	\$657,640 75	\$672,509 42	\$606,378 02	\$496,217 18	\$570,278 59	\$518,582 74	\$583,870 59	\$506,054 38
February	573,284 25	537,322 44	542,136 74	584,409 25	498,462 95	521,441 99	525,898 99	485,731 17	545,461 17	516,899 26
March	697,918 46	690,850 56	612,647 11	715,754 86	557,867 06	518,303 06	570,349 94	536,896 42	606,456 56	581,255 31
April	607,281 18	591,636 62	576,634 24	654,049 34	552,376 86	518,001 22	560,521 87	533,066 09	545,968 07	571,330 49
May	652,661 51	591,091 00	595,594 69	681,018 64	600,081 12	569,590 21	596,156 15	551,340 60	531,671 78	591,648 78
June	668,069 74	591,200 21	637,454 04	717,189 53	593,230 68	590,345 09	530,733 86	594,561 06	596,310 21	662,298 22
July	730,944 17	668,392 70	715,165 75	817,640 76	631,645 11	690,450 62	576,724 00	716,537 62	645,205 55	643,306 43
August	959,903 55	736,004 68	741,251 54	894,900 93	723,618 63	796,706 60	603,279 31	791,331 26	784,761 87	694,268 19
September	916,964 08	753,825 36	777,418 50	842,061 93	716,378 65	785,184 22	659,513 97	813,919 06	807,893 65	783,705 37
October	889,037 23	767,046 91	808,942 22	903,372 17	805,351 01	788,690 99	796,546 65	777,453 36	785,774 94	774,294 64
November	753,856 74	738,038 28	758,417 25	801,880 07	630,431 96	660,279 62	600,987 73	663,161 59	670,508 38	629,791 79
December	692,711 51	703,926 87	737,121 51	746,599 29	601,643 15	600,304 74	553,962 13	619,116 09	625,713 76	511,399 28
Total	\$3,709,274 22	\$7,998,169 33	\$8,060,639 34	\$3,941,386 31	\$7,511,465 19	\$7,516,616 44	\$7,065,753 15	\$7,590,881 18	\$7,730,610 53	\$7,568,640 21
Expenses, in- cluding taxes, }	\$5,133,790 16	\$4,612,847 40	\$4,650,935 18	\$5,270,202 94	\$4,068,094 45	\$4,571,735 99	\$4,383,001 55	\$4,458,749 80	\$4,507,796 71	\$4,655,889 15
Profit	\$3,575,484 06	\$3,385,321 93	\$3,409,664 16	\$3,671,183 47	\$3,443,360 74	\$2,944,880 45	\$2,683,751 60	\$3,132,131 38	\$3,222,811 82	\$2,912,751 06

AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 9, 1893.

To the Board of Directors :

GENTLEMEN : I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31, 1892, and the operations of the road for the fiscal year 1892:

- A — General Balance Sheet.
- B — Income Account.
- C — Additional Property Account.
- D — Gross Earnings from Traffic for the year.
- E — Statement of Monthly Earnings from 1888, and Annual Expenses and Profits.
- F — Passenger Statistics and Comparisons.
- G — Freight Statistics and Comparisons.
- H — Freight Transported.
- I — Statement of Gross Earnings from Shipments of Farm Products in Illinois.
- J — Statement of Gross Earnings from Shipments of Farm Products in Missouri.
- K — Mileage of Cars and Details of Mileage.

Respectfully yours,

CHAUNCEY KELSEY,

Auditor.

A—General Balance Sheet, December 31st, 1892.

To Cost of Road and Equipment.	\$ 32,178,927 16	By Capital Stock	\$19,779,686 00
Cost of Road and Equipment	\$30,263,702 60	Common Stock	18,950,800 00
Cost of Road Godfrey to Wann	316,361 43	Preferred Stock	3,473,500 00
Cost of Road Louisiana Branch	1,389,587 93	Common Stock Scrip	80,886 00
Cost of Road Western Division	1,116,784 91	By Capital Stock, Joliet & Chl. R. R., Guaranteed	1,500,000 00
Cost of Road Coal City Branch	690,418 34	By Capital Stock Mississippi Bridge Co., Guar'd	800,000 00
Cost of Joliet & Chicago R. R.	2,000,000 00	By Funded Debt	8,970,680 00
Cost of Mississippi Bridge	1,000,000 00	Consolidated Sterling Bonds, due July 1, 1903	4,379,850 00
St. L., J. & C. R. R. Co.'s Bonds Assumed	2,407,000 00	St. L., J. & C. R. R. Co.'s 1st Mtg., due April 1, 1894	3,929,000 00
St. L., J. & C. R. R. Co.'s Preferred Stock	1,064,100 00	St. L., J. & C. R. R. Co.'s 2d Mtg., due July 1, 1895	390,000 00
St. L., J. & C. R. R. Co.'s Common Stock	1,613,100 00	La. & Mo. River R. R. Co.'s 1st Mtg., due Aug. 1, 1900	493,000 00
Machinery and Tools in Car Shops	346,363 34	Mississippi River Bridge Co. Bonds, due Oct. 1, 1912	593,000 00
To Bonds of other Companies owned by C. & A.	3,389,036 13	By Sinking Fund Gold Bonds, due May 1, 1903	1,932,000 00
Kansas City, St. Louis & Chicago R. R. First Mortgage	3,000,000 00	By Sinking Fund Bonds	2,370,100 00
Mississippi River Bridge Co. First Mtg	171,000 00	Sinking Fund Gold Bonds	600,000 00
Louisiana & Mo. River R. R. First Mtg	84,310 00	Joliet & Chicago R. R. Co.'s Bonds	1,068,000 00
Louisiana & Mo. River R. R. Second Mtg	70,000 00	Mississippi River Bridge Co.'s Bonds	600,000 00
St. L., Jacksonville & Chicago R. R. First Mtg	43,838 13	Louisiana & Mo. River R. R. Co.'s First Mtg.	107,000 00
Pawnee R. R. 1st Mtg	30,000 00	By Current Liabilities	100 00
To Stock of other Companies owned by C. & A.	514,600 00	Audited Vouchers and Accounts	310,398 40
Kansas City, St. Louis & Chicago R. R. Common	157,600 00	Wages and Salaries	334,831 37
Mississippi River Bridge Co. Common	300,000 00	Net Traffic Balances due Other Companies	189,694 99
Kansas City Union Depot Co	91,000 00	Unclaimed Dividends	732 70
Interstate Industrial Exposition	1,000 00	Matured Interest and Coupons, Unpaid	115 30
St. Louis Music Hall Association	5,000 00	By Rentals Accrued, not yet due	103,144 00
World's Exposition Co	30,000 00	By New Common Stock, Unissued	1,500 00
Lands owned by C. & A. R. R. Co.	5,000 00	By Income Account	2,953,031 93
Trustee, Odell Property	70,000 00		
Grundy Co. Coal Lands	70,000 00		
To Cash and Current Assets	1,508,303 61		
Cash	1,011,333 38		
U. S. Trust Co.—Applicable for Redemption of			
Sinking Fund Gold Bonds	70,877 74		
Bills Receivable	25,739 56		
Due from Agents	171,906 33		
Due from Solvent Companies and Individuals	\$21,937 70		
To other Assets	389,041 65		
Materials and Supplies			
To Illinois Trust and Savings Bank, Trustee	1,500 00		
Total	\$38,094,868 53	Total	\$38,094,868 53

B — Income Account, December 31st, 1892.

To Dividend on Preferred and Common Stock, 1892.....	\$1,407,560 00	By Balance from 1891.....	\$3,646,576 68
To First Mortgage Coupons, due July 1st.....	\$ 85,405 00	By Interest on Bonds owned by Chicago & Alton Railroad Co.	\$105,000 00
Coupons, final due January 1, 1893.....	\$ 85,405 00	E. C., St. L. & C. R. R. Coupons, due May 1st.	105,000 00
To Consolidated Bonds; Coupons, due January 1st.	133,146 78	Mississippi River Bridge Bonds; Coupons, due	
Coupons, due July 1st.....	133,258 13	April 1st.....	5,160 00
To St. Louis, Jacksonville & Chicago R. R. First		Louisiana & Missouri River R. R. Second	5,180 00
Mortgage Bonds; Coupons, due April 1st.....	102,515 00	Coupons due November 1st.....	2,450 00
Coupons, due October 1st.....	102,515 00	Louisiana & Missouri River R. R. First Mort-	2,450 00
To St. Louis, Jacksonville & Chicago R. R. Second		gage; Coupons due February 1st.....	2,450 00
Mortgage Bonds; Coupons, due January 1st.	8,050 00	Coupons due August 1st.....	2,450 00
Coupons, due July 1st.....	8,050 00	St. Louis, Jacksonville & Chicago R. R. First	
To Louisiana & Missouri River R. R. First Mort-		Mortgage; Coupons, due April 1st.....	1,350 00
gage Bonds; Coupons, due February 1st.....	15,365 00	Coupons, due October 1st.....	1,350 00
Coupons, due August 1st.....	15,365 00	Pawnee R. R. First Mortgage; Coupons	1,300 00
To Sinking Fund Gold Bonds; Coupons, due May 1st	60,150 00	Dividend on Stocks owned by Chicago & Alton	
Coupons, due November 1st.....	55,860 00	Mississippi River Bridge, Dividend on Stock	32,038 00
To Sinking Fund Gold Bonds Redeemed and Cancelled (145)		May 1st.....	10,500 00
To Rentals—Joliet & Chicago R. R.....	\$105,750 00	Dividend on Stock November 1st.....	10,500 00
Mississippi River Bridge.....	71,000 00	K. C., St. L. & C. R. R. Dividend on Stock,	
La. & Mo. R. R. R.....	151,468 47	May 1st.....	5,515 00
K. C., St. L. & C. R. R.....	335,935 00	Dividend on Stock, November 1st.....	5,515 00
To Additional Property.....	674,053 47	By Miscellaneous Income.....	6,838 61
To Operating Expenses.....	328,841 48	Interest on Notes of Louisiana & Missouri River	
To Balance.....	4,807,798 71	R. R. January 1st.....	2,038 07
	2,853,631 92	June 1st.....	2,038 07
		Interest on Sinking Fund.....	1,470 17
		Rentals, etc., from Grundy County Coal Lands.....	1,367 80
		By Premium on New Common Stock and Scrip Sold.....	305,917 50
		By Operating Receipts.....	7,720,610 53
	\$10,955,999 26		\$10,955,999 26

O—Additional Property Account for the Year 1892.

		Amount charged to Income Account	
Real Estate.....	\$ 19,505 82		
Second Main Track.....	124,066 88		
Side Tracks.....	82,061 18		
Buildings.....	9,898 10		
Six Locomotives.....	60,822 00		
	<u>\$396,841 43</u>		<u>\$396,841 43</u>

D—Gross Earnings from Traffic for Year ending December 31st, 1892.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January.....	\$164,547 97	\$385,598 26	\$32,730 36	\$582,876 59
February	158,887 48	350,425 65	36,648 04	545,461 17
March	183,982 10	389,824 74	34,649 72	608,456 56
April	175,728 24	338,398 68	31,870 15	545,992 07
May.....	171,259 59	329,308 20	31,103 99	531,671 78
June.....	192,159 31	369,069 42	35,061 42	596,310 21
July	217,862 43	399,125 50	28,217 62	645,205 55
August	225,187 80	527,158 98	32,415 14	784,761 87
September	245,188 98	529,103 81	33,639 86	807,882 65
October.....	249,668 07	500,607 74	32,504 13	782,774 94
November	188,611 81	451,209 60	30,681 97	670,508 38
December.....	178,718 69	413,750 90	36,249 17	628,718 76
Totals for Year ...	\$2,851,242 47	\$4,968,596 49	\$395,771 57	\$7,780,610 53

E — Monthly Earnings of The Chicago & Alton Railroad Company.

Months.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.
January	\$646,388 29	\$666,641 80	\$646,884 70	\$657,840 75	\$672,509 42	\$605,873 02	\$496,217 18	\$570,373 59	\$518,532 74	\$582,876 09
February	537,383 68	573,284 25	537,322 44	542,138 74	594,409 35	488,463 95	521,441 99	585,898 99	485,731 17	545,461 17
March	698,684 13	697,918 46	680,860 56	612,647 11	716,764 86	557,837 08	518,883 06	570,349 54	536,886 42	602,456 56
April	600,877 77	607,361 18	591,638 68	576,634 34	664,049 34	558,376 88	518,001 22	560,561 87	533,066 09	545,922 07
May	646,759 67	652,661 51	591,091 00	585,384 69	681,018 64	600,081 12	669,590 21	598,766 15	551,840 60	531,671 78
June	667,507 81	668,069 74	591,300 21	637,494 04	717,189 53	585,290 63	580,945 09	530,733 88	594,561 06	596,310 21
July	731,802 96	730,944 17	668,382 70	715,165 75	817,640 78	631,645 11	680,450 82	576,734 00	718,537 62	645,305 55
August	898,556 44	899,903 55	728,004 68	741,261 54	894,900 93	738,618 68	796,708 60	608,379 31	791,581 26	784,761 87
September	924,945 57	916,964 08	755,826 36	777,413 50	842,061 93	716,373 65	735,184 22	659,813 97	813,919 06	807,883 65
October	901,618 75	899,087 23	767,046 91	808,943 22	908,373 17	805,351 01	798,689 69	736,546 65	777,458 36	789,774 94
November	801,187 33	783,856 74	739,088 28	738,417 25	801,880 07	680,421 96	660,279 62	600,987 72	663,161 59	670,608 28
December	749,219 96	692,711 51	702,925 87	737,181 51	746,599 29	601,648 15	600,804 74	553,903 18	619,116 09	628,713 76
Total	\$8,810,610 28	\$8,709,274 22	\$7,992,169 23	\$8,060,839 34	\$8,941,386 31	\$7,511,465 19	\$7,516,616 44	\$7,065,753 15	\$7,590,861 18	\$7,760,610 53
Expenses, in- cluding taxes, }	\$5,007,082 62	\$5,138,790 16	\$4,612,847 40	\$4,650,955 19	\$5,270,902 84	\$4,665,084 45	\$4,571,735 99	\$4,388,001 55	\$4,458,749 80	\$4,807,798 71
Profits	\$3,713,527 76	\$3,575,484 06	\$3,380,321 93	\$3,409,884 16	\$3,671,138 47	\$2,846,380 74	\$2,944,880 45	\$2,688,751 60	\$3,132,111 38	\$2,952,811 82

F—Statement of Passenger Statistics and Comparisons.

DESCRIPTION.	1889.	1890.	1891.	1892.	INCREASE.	DECREASE.	PBE CENT.
Total Number of Passengers Traveled.....	1,717,678	1,866,348	1,952,465	2,228,572	276,107	.....	14.100
Total Number of Through Passengers.....	118,210	147,580	138,414	157,798	24,384	.....	18.100
Total Number of Local Passengers.....	1,599,468	1,718,768	1,819,051	2,070,774	251,723	.....	13.888
Percentage of Local Passengers to Whole Number.....	93.100	92.100	98.100	92.100	.....	00.100	00.100
Percentage of Through Passengers to Whole Number.....	6.882	7.100	6.882	7.100	2.48	.....	03.100
Number of Local Passengers Moved South.....	798,203	863,620	908,907	1,023,756	114,849	.....	12.100
Number of Local Passengers Moved North.....	801,265	855,148	910,144	1,047,018	136,874	.....	15.100
Number of Through Passengers Moved South.....	58,346	74,034	66,402	77,062	10,660	.....	16.100
Number of Through Passengers Moved North.....	59,864	73,546	67,012	80,736	13,724	.....	20.100
Number of Passengers Carried One Mile.....	164,000,108	117,016,312	112,463,560	132,036,917	19,573,357	.....	17.100
Average Distance Traveled by Each Local Passenger.....	60.546	62.100	57.100	59.100	1.646	.....	02.100
Number of Local Passengers Carried One Mile.....	61,927,225	64,516,776	67,032,408	75,755,831	8,723,523	.....	13.100
Average Distance Traveled by Each Through Passenger.....	38.111	31.100	36.100	36.100	.....	.....	00.100
Average Rate Paid per Mile by All Passengers.....	2.100	1.100	1.100	1.100	.....	.....	09.100
Average Rate Paid per Mile by Local Passengers.....	2.346	2.100	2.100	2.100	.....	.....	03.100
Average Rate Paid per Mile by Through Passengers.....	1.804	1.100	1.100	1.100	.....	.....	18.100
Average Number of Passengers Carried per Train Mile.....	51.100	55.100	54.100	59.100	4.100	.....	08.100
Average Fare Paid by Each Passenger.....	\$1.29	\$1.13	\$1.13	\$1.06	.....	.07	06.100
Number Pieces of Baggage Handled.....	872,183	884,131	886,140	897,480	11,340	.....	10.100
Earnings from Excess Baggage.....	\$22,989.36	\$27,441.59	\$20,266.31	\$25,230.26	.....	\$4,036.05	13.100

G—Freight Statistics and Comparisons.

	1888.	1889.	1890.	1891.	1892.	INCREASE.	DECREASE.	PER CENT.
Tonnage of Freight Transported.....	3,785,160	3,461,391	3,399,705	3,501,327	3,516,151	14,824	.....	00.483
Tonnage of Local Freight.....	2,984,774	2,620,834	2,634,474	2,769,933	2,770,614	681	.....	00.024
Percentage of Whole Tonnage—Local	78.86	75.70	77.46	79.15	78.80	.....	00.35	00.1000
Tonnage of Through Freight.....	800,386	840,557	765,231	731,394	745,537	14,143	.....	01.936
Percentage of Whole Tonnage—Through.....	21.14	24.30	22.54	20.85	21.20	00.35	.....	01.064
Revenue Freight Carried One Mile, in Tons.....	533,866,327	537,301,926	519,689,191	547,472,045	555,230,873	7,758,828	.....	01.406
Average Rate per Ton Per Mile on Revenue Freight.....	00.218	00.213	00.283	00.313	00.288	.....	00.214	01.000
Average Distance each Ton was Carried.....	141.042	155.1000	152.1000	157.1000	157.1000	.....	.....	00.1000

F—General Statistics and Comparisons.

DESCRIPTION.	1890.	1891.	1892.	1893.	INCREASE.	DECREASE.	PER CENT.
Passenger Traffic.							
Number of Passengers Carried.	1,866,348	1,952,465	2,228,572	2,181,747	.....	46,825	02.10%
Number of Through Passengers.	147,580	133,414	157,798	207,317	49,519	.....	31.10%
Percentage of Through Passengers to Whole Number.	07.90%	06.83%	07.08%	09.50%	02.43%	.....	34.10%
Number of Local Passengers.	1,718,768	1,819,051	2,070,774	1,974,430	.....	96,344	04.10%
Percentage of Local Passengers to Whole Number.	92.08%	93.16%	92.91%	90.48%	.....	02,431	02.10%
Number of Passengers Carried One Mile.	117,016,312	112,463,560	132,036,917	157,984,435	25,947,518	.....	19.50%
Average Distance Each Passenger Carried.	62.69	57.60	59.74	72.41	13.66	.....	22.10%
Average Amount Received for Each Passenger.	\$1.13	\$1.13	\$1.06	\$1.32	\$0.26	.....	24.10%
Average Rate Paid per Passenger.	01.70%	01.70%	01.70%	01.85%	00.15%	.....	03.10%
*Estimated Cost of Carrying Each Passenger One Mile.	01.36%	01.33%	01.40%	01.10%	.....	00.26%	17.10%
Total Freight and Freight Earnings.					.....	00.55%	.....
Passenger Earnings per Mile of Road.	\$2,434,492 15	\$2,546,236 45	\$2,705,651 71	\$3,254,700 49	\$549,048 78	.....	20.00%
Passenger Earnings per Passenger Mile.	\$2,886 52	\$3,020 20	\$3,206 84	\$3,859 02	\$652 18	.....	20.30%
Freight Traffic.	\$1 15.00%	\$1 22.00%	\$1 21.00%	\$1 46.10%	24.10%	.....	20.00%
Number of Tons of Freight Carried.	3,399,705	3,501,327	3,516,151	3,128,533	.....	387,618	11.00%
Number of Tons of Through Freight Carried.	785,231	731,394	745,537	614,478	.....	131,059	17.00%
Percentage of Through Freight to Whole Tonnage.	22.51%	20.86%	21.10%	19.54%	.....	01.56	07.10%
Number of Tons of Local Freight.	2,634,474	2,769,933	2,770,614	2,514,055	.....	256,559	09.00%
Percentage of Local Freight to Whole Tonnage.	77.49%	79.14%	78.90%	80.46%	.....	.....	01.00%
Number of Tons Carried One Mile.	519,689,191	547,472,045	555,230,873	483,203,506	01.56	72,027,367	12.00%
Average Distance Each Ton was Carried.	152.86	157.66	157.00	154.66	.....	3.46	02.10%
Average Amount Received for Each Ton of Freight.	\$1.35	\$1.43	\$1.42	\$1.37	.....	\$0.06	03.00%
Average Cost of Carrying Each Ton of Freight.	00.88%	00.81%	00.88%	00.88%	.....	00.04	01.00%
*Estimated Cost of Carrying Each Ton of Freight.	00.63%	00.63%	00.66%	00.61%	00.06%	.....	10.00%
Total Freight Earnings.	\$4,588,224 92	\$4,908,114 87	\$4,983,596 49	\$4,273,117 48	.....	\$710,479 01	14.00%
Freight Earnings per Mile of Road.	\$5,440 15	\$5,926 15	\$5,908 93	\$5,086 53	.....	\$842 40	14.00%
Freight Earnings per Tonnage.	\$1 36.10%	\$1 39.00%	\$1 39.00%	\$1 36.10%	.....	03.00%	02.10%

Total Gross Earnings per Mile from Operation of Road.....	\$8,377 70	\$9,000 33	\$9,166 01	\$8,971 59	.....	\$194 42	02 18 1
Expenses per Mile of Road.....	\$5,195 64	\$5,286 64	\$5,700 50	\$5,520 38	.....	\$180 12	03 16 9
Net Earnings per Mile of Road.....	\$3,182 06	\$3,713 69	\$3,465 51	\$3,451 21	.....	\$14 30	00 10 6
Train Mileage.							
Miles Run by Passenger Trains.....	2,115,668	2,071,114	2,234,398	2,226,610	.....	7,788	00 34 6
Miles Run by Freight Trains.....	3,368,917	3,588,994	3,578,707	3,137,424	.....	441,283	12 33 1
Total Mileage of Trains.....	5,484,585	5,660,108	5,813,105	5,364,034	.....	449,071	07 13 6
Earnings Revenue from Freight and Other Trains.....	249,223	236,977	354,615	244,762	.....	109,853	30 13 6
Grand Total Train Mileage.....	5,733,808	5,897,085	6,167,720	5,608,796	.....	558,924	09 06 8
Mileage of Loaded Freight Cars.....	46,125,945	47,670,362	47,845,314	42,585,630	.....	5,259,684	10 06 3
Mileage of Empty Freight Cars.....	24,219,163	26,374,938	26,026,918	26,296,552	.....	.....	01 10 6
Total Mileage of Loaded and Empty Freight Cars.....	70,345,108	74,045,300	73,872,232	68,882,182	209,634	4,990,050	06 16 6
Average Number of Freight Cars in Train.....	21	21	21	22	1	.....	04 10 6
Average Number of Loaded Freight Cars in Train.....	14	14	14	14	.....	.....	.....
Average Number of Empty Freight Cars in Train.....	7	7	7	8	1	.....	14 28 6
Average Number of Tons of Freight in Train.....	154,360	152,548	155,148	154,013	.....	1,135	00 10 6
Average Number of Tons of Freight in each Loaded Car.....	11,267	11,386	11,506	11,347	.....	268	02 22 3
Tonnage of Company's Freight, as embraced in above Figures.....	190,470	169,976	202,200	212,977	10,777	.....	05 33 0

*The estimated cost per passenger per mile and per ton per mile is based on instructions given by "Interstate Commerce Commission" for the division of Operating Expenses between passenger and freight.

J—Statement of Gross Earnings from Shipments of Farm Products in Missouri.

YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent of Gross Earnings on Freight in Missouri.	Per cent of Gross Earnings on all Traffic in Missouri.
1881.....	\$ 49,340 00	\$ 22,680 00	\$ 8,700 00	\$107,134 00	\$92,348 00	\$21,460 00	\$301,663 00	23 85	17 15
1882.....	177,281 00	37,651 00	12,615 00	67,920 00	62,440 00	39,567 00	397,424 00	29 76	20 76
1883.....	122,626 55	114,932 34	11,447 70	109,080 00	76,960 00	20,992 78	455,039 32	26 76	18 76
1884.....	106,493 29	42,416 77	9,324 26	81,440 00	84,440 00	16,042 17	340,656 49	19 76	13 76
1885.....	50,473 04	29,972 42	3,281 03	104,560 00	78,640 00	15,446 01	282,873 50	20 76	13 76
1886.....	71,187 44	21,751 91	7,863 44	108,880 00	77,640 00	25,219 10	307,541 89	20 76	13 76
1887.....	140,676 68	9,084 75	25,896 66	90,080 00	58,240 00	28,894 23	352,561 21	20 76	14 76
1888.....	95,287 68	27,959 20	23,080 69	100,880 00	66,400 00	20,052 20	333,659 77	29 76	18 76
1889.....	136,560 02	16,993 18	15,788 96	116,720 00	81,640 00	24,408 45	390,045 56	38 76	21 76
1890.....	72,894 45	12,271 38	10,376 34	126,760 00	87,640 00	25,006 00	384,547 12	31 76	20 76
1891.....	104,710 28	81,925 78	38,114 32	118,800 00	77,880 00	20,035 25	436,465 63	36 76	23 76
1892.....	111,775 10	4,009 79	9,257 81	126,920 00	71,280 00	23,858 05	346,600 75	29 76	19
Increase in 1892.....	7,094 82	.....	.....	18,120 00	.....	3,823 80	.....	.....	.....
Decrease in 1892.....	.....	77,915 99	28,856 51	.....	6,600 00	.....	89,864 88	07 76	04 76

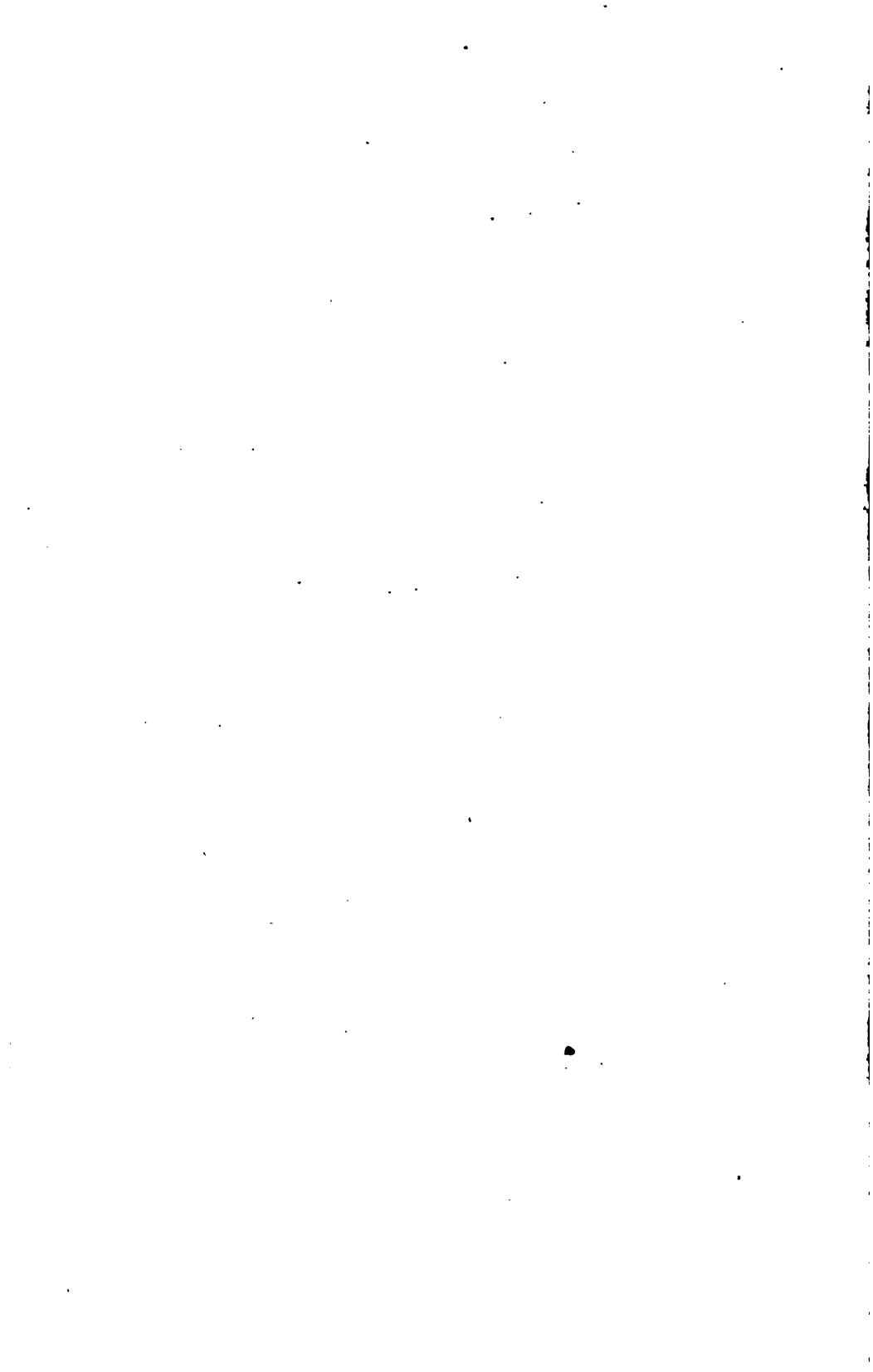
K—Mileage of Cars and Details of Mileage, 1891 and 1892.

	1891.	1892.	INCREASE.	DECREASE.	PER CENT.
Miles run by C. & A. Sleeping Cars on C. & A. R. R.....	1,728,573	1,748,464	19,891	.....	01.14%
Miles run by Foreign Sleeping Cars on C. & A. R. R.....	694,861	579,471	.....	115,390	16.76%
Miles run by Dining Cars on C. & A. R. R.....	185,096	146,757	.....	38,339	20.71%
Miles run by C. & A. Coaches on C. & A. R. R.....	5,237,854	6,251,720	1,013,866	.....	19.36%
Miles run by C. & A. Coaches on Foreign Roads.....	363,688	43,526	.....	320,162	88.08%
Miles run by Foreign Coaches on C. & A. R. R.....	335,873	95,240	.....	240,133	71.54%
Miles run by Pay Car.....	28,288	27,362	.....	926	03.21%
Miles run by C. & A. Mail, Express and Postal Cars on C. & A. R. R.	2,812,665	2,980,930	168,265	.....	05.98%
Miles run by Foreign Baggage, Mail and Ex. Cars on C. & A. R. R.	126,469	37,924	.....	88,485	70.00%
Number of C. & A. R. R. Cars hauled Loaded, in Regular Service.	512,903	488,379	.....	24,524	04.78%
Mileage of C. & A. R. R. Cars hauled Loaded, in Regular Service	30,338,948	29,517,247	.....	821,701	02.70%
Number of C. & A. R. R. Cars hauled Empty, in Regular Service.	275,425	252,746	.....	22,679	08.23%
Mileage of C. & A. R. R. Cars hauled Empty, in Regular Service.	15,669,567	14,321,164	.....	1,348,403	08.59%
Number of C. & A. R. R. Cars hauled Loaded, in Construction Trains	15,525	23,054	7,229	.....	45.91%
Mileage of C. & A. R. R. Cars hauled Loaded, in Construction Trains	453,079	835,894	382,815	.....	84.49%
Number of C. & A. R. R. Cars hauled Empty, in Construction Trains	17,105	23,850	6,745	.....	39.44%
Mileage of C. & A. R. R. Cars hauled Empty, in Construction Trains	494,453	837,401	342,948	.....	69.16%
Number of Foreign and Line Cars hauled Loaded.....	261,706	276,333	14,627	.....	05.58%
Mileage of Foreign and Line Cars hauled Loaded.....	17,331,414	18,328,067	996,653	.....	05.76%
Number of Foreign and Line Cars hauled Empty.....	171,738	187,887	16,149	.....	09.39%
Mileage of Foreign and Line Cars hauled Empty.....	10,705,871	11,705,754	1,000,383	.....	09.34%
Whole Number of Loaded Cars hauled, in Regular Service.....	774,609	764,712	.....	9,897	01.27%
Mileage of Loaded Cars hauled, in Regular Service.....	47,670,362	47,845,314	174,952	.....	00.37%
Whole Number of Empty Cars hauled, in Regular Service.....	447,163	440,633	.....	6,530	01.46%
Mileage of Empty Cars hauled, in Regular Service.....	26,374,338	26,026,918	.....	348,020	01.32%

K — Mileage of Cars, etc. — (Continued.)

	1891.	1892.	INCREASE.	DECREASE.	PER CENT.
Whole Number of Cars hauled, in Regular Service, Loaded and Empty.....	1,221,772	1,205,345	.....	16,427	01,345
Total Freight Mileage, Cars hauled, in Regular Service, Loaded and Empty.....	74,045,300	73,872,232	.....	173,068	00,234
Per Cent. of whole Mileage, Loaded.....	64,188	64,168	00,288	.....	00,100
Per Cent. of whole Mileage, Empty.....	35,120	35,120	.....	00,288	01,000
Mileage of C. & A. Cars on Foreign Roads.....	22,005,732	18,934,175	.....	3,071,557	13,000
Total Mileage of C. & A. Freight Cars.....	68,961,779	64,445,881	.....	4,515,898	06,548
Average Revenue Tonnage of each Loaded Car hauled, in Regular Service.....	11,485	11,405	180	.....	01,045
Average Revenue Tonnage of each Car hauled, in Regular Service, Loaded and Empty.....	7,100	7,100	.....	360	03,485
Tonnage of Company's Freight not embraced in above figures...	169,978	202,200	32,224	18,948





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THIRTY-FIRST ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

CHICAGO & ALTON

RAILROAD COMPANY,

FOR THE

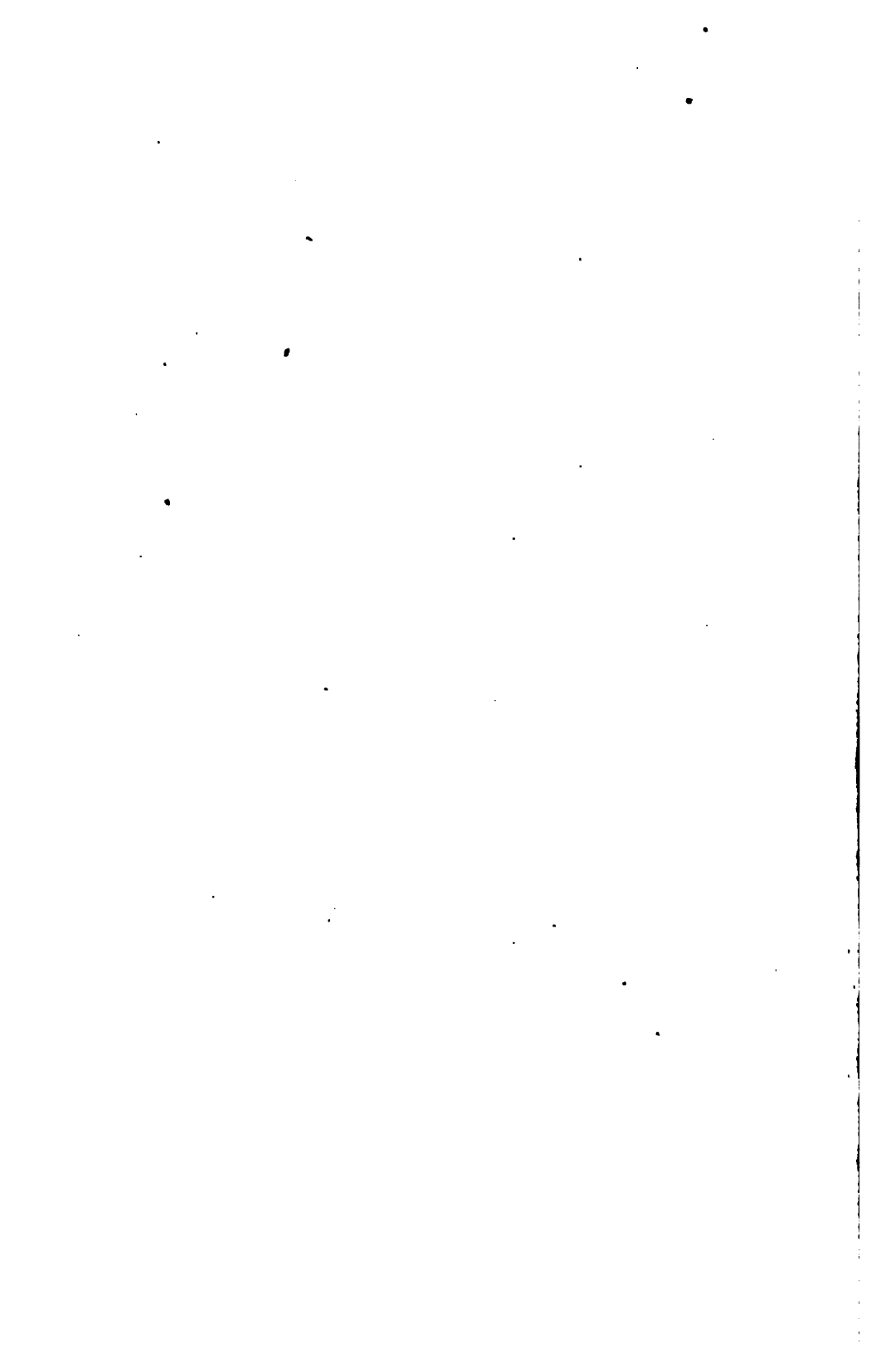
YEAR ENDING DECEMBER 31, 1893.

ISSUED FEBRUARY, 1894.

CHICAGO:

RAND, McNALLY & Co., PRINTERS, 166-172 ADAMS ST.

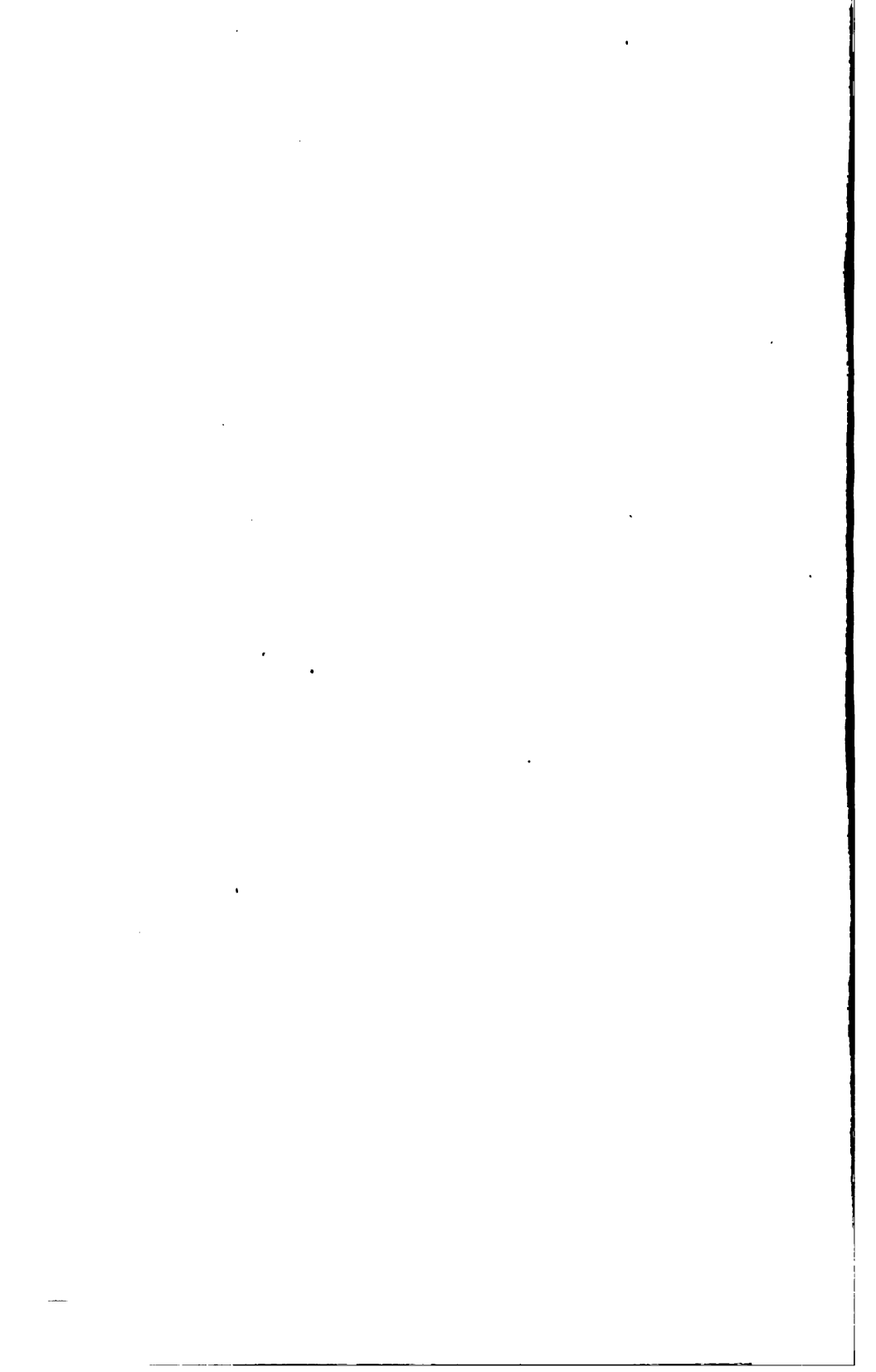
1894.



THIRTY-FIRST ANNUAL REPORT
OF THE
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1894.



DIRECTORS.

JOHN J. MITCHELL.....	ST. LOUIS, MO.	} Term of Service Expires first Monday in April, 1894.
W. N. BLACKSTONE.....	NORWICH, CONN.	
A. C. BARTLETT.....	CHICAGO, ILL.	
T. B. BLACKSTONE.....	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1895.
JOHN B. DRAKE.....	CHICAGO, ILL.	
MORRIS K. JESUP.....	NEW YORK.	
JAMES C. McMULLIN	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1896.
JOHN A. STEWART.....	NEW YORK.	
ALBERT A. SPRAGUE	CHICAGO, ILL.	

OFFICERS.

T. B. BLACKSTONE.....	<i>President.</i>
J. C. McMULLIN.....	<i>Vice-President.</i>
CHARLES H. FOSTER.....	<i>Secretary and Treasurer.</i>
CHAUNCEY KELSEY.....	<i>Auditor.</i>
WILLIAM BROWN.....	<i>General Solicitor.</i>
CHARLES H. CHAPPELL....	<i>General Manager.</i>
W. E. GRAY.....	<i>General Superintendent.</i>
J. H. WOOD.....	<i>General Manager's Assistant.</i>
H. H. COURTRIGHT.....	<i>General Freight Agent.</i>
JAMES CHARLTON.....	<i>General Passenger and Ticket Agent.</i>
H. C. DRAPER.....	<i>Chief Engineer.</i>
JACOB JOHANN	<i>Superintendent of Machinery and Cars.</i>
A. V. HARTWELL	<i>Purchasing Agent.</i>

DIRECTORS' THIRTY-FIRST ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company:

The Board of Directors submit the following Report for the year ending December 31, A. D. 1893:

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS		
Chicago to East St. Louis.....	280.70	108.04	120.82	509.56
Coal City Line.....	24.48	.....	14.49	38.97
Dwight to Washington and Lacon.....	79.75	.....	6.55	86.30
Roodhouse to Kansas City.....	250.42	1.84	62.94	315.20
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.....	158.00	.....	19.82	177.82
Mexico to Cedar City.....	50.00	.....	4.50	54.50
Total Miles	843.35	109.88	229.12	1,182.35

The foregoing tabular statement includes $8\frac{66}{100}$ miles of second main track and $2\frac{52}{100}$ miles of side tracks, constructed during the year.

With the exception of $32\frac{64}{100}$ miles of side tracks, and one mile of main track on a Branch line, all tracks are laid with steel rails. The standard weight of steel rails on your lines is 70 lbs. per yard.

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares.....	16,800,900 00
Total amount of Stock.....	<u>\$19,780,400 00</u>

MORTGAGE BONDS AND OTHER OBLIGATIONS.

St. Louis, Jacksonville & Chicago Railroad First Mortgage 7 per cent. Bonds, due April 1, 1894, assumed by your Company.....	\$2,929,000 00	
St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Bonds, due July 1, 1898, assumed by your Company.....	280,000 00	
Louisiana & Missouri River Railroad First Mortgage 7 per cent. Bonds, due August 1, 1900, assumed by your Company in settlement of Accounts under Contract for Construction, dated July 5, A. D. 1870	439,000 00	
Chicago & Alton Sinking Fund 6 per cent. Gold Bonds, due May 1, 1903.....	1,882,000 00	
Consolidated Chicago & Alton 6 per cent. Sterling Bonds, due July 1, 1903—£900,000, say.....	4,879,850 00	
Mississippi River Bridge Company's First Mortgage Sinking Fund 6 per cent. Bonds, due October 1, 1912, assumed by your Company under terms of lease....	579,000 00	
Total amount of Bonds.....	<u>\$10,438,850 00</u>	
Joliet and Chicago Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed,	\$1,500,000 00	
Mississippi River Bridge Company's Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	800,000 00	
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent. annual dividends are guaranteed,	1,750,000 00	
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent. per annum, are contingent upon gross earnings....	271,700 00	3,821,700 00
Total.....	<u>\$34,040,950 00</u>	

The Louisiana & Missouri River Railroad is operated by your Company under a lease, which, by its terms, is to continue one thousand years from the first day of August, A. D. 1870. The lease provides that each year all taxes and assessments shall be deducted from the gross earnings of the road, and 35 per cent. of the remainder shall be the amount of rent for that year.

Fifty thousand dollars of the Sinking Fund Gold Bonds, and fourteen thousand dollars of the Mississippi River Bridge Company's Bonds have been canceled on account of sinking funds during the year.

REVENUE.

The Gross Earnings from Traffic, and Interest on temporary investments of surplus, during the last year were	\$7,872,108 88
The Total Disbursements during the same period for Operating Expenses, Taxes, Rent of Leased Lines, Interest on Bonds, and Dividends were.....	7,524,204 02
Balance	\$ 347,904 81

INCOME ACCOUNT.

By Balance December 31, 1892.....	\$2,853,621 92
By Interest on Bonds, Dividends on Stocks owned by your Company, and Sundry Receipts.....	305,468 62
By Gross Receipts from Traffic.....	7,566,640 21
	<u>\$10,725,730 75</u>

DISBURSEMENTS.

Interest on Funded Debt.....	\$ 632,037 02
Dividends	1,582,386 00
Rent paid Joliet & Chicago R. R. Co.	105,750 00
“ “ Louisiana & Missouri River R. R. Co.....	140,897 25
“ “ Kansas City, St. Louis & Chicago R. R. Co.	336,244 60
“ “ Mississippi River Bridge Co.....	71,000 00
Paid for Sinking Fund Bonds, purchased	57,342 50
Paid and appropriated from this Account for Additional Property, Locomotives, Passenger Cars, Real Estate, New Buildings and New Tracks.	217,833 38
Operating Expenses, including Taxes	4,655,889 15
	<u>7,799,379 90</u>
Balance, December 31, 1893.	\$2,926,350 85

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares.....	18,751,100 00
Total amount of Stock.....	\$22,230,600 00

MORTGAGE BONDS AND OTHER OBLIGATIONS.

St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent. Bonds, due July 1, 1898, assumed by your Company.....	\$ 280,000 00
Louisiana & Missouri River Railroad First Mortgage 7 per cent. Bonds, due August 1, 1900, assumed by your Company.....	1,785,000 00
Louisiana & Missouri River Railroad Second Mortgage Bonds, due November 1, 1900.....	800,000 00
Chicago & Alton Sinking Fund 6 per cent. Gold Bonds, due May 1, 1903.....	1,853,000 00
Consolidated Chicago & Alton 6 per cent. Sterling Bonds, due July 1, 1903—\$900,000, say.....	4,879,850 00
Mississippi River Bridge Company's First Mortgage Sinking Fund 6 per cent. Bonds, due October 1, 1912, assumed by your Company under terms of lease....	568,000 00
Total amount of Bonds.....	\$ 9,110,850 00

Joliet & Chicago Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	\$1,500,000 00
Mississippi River Bridge Company's Stock, on which perpetual dividends at the rate of 7 per cent. per annum are guaranteed.....	800,000 00
Louisiana & Missouri River Guaranteed Stock on which perpetual dividends of 7 per cent. per annum are guaranteed.....	829,000 00
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent. annual dividends are guaranteed.....	1,750,000 00
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent. per annum, are contingent upon gross earnings....	271,700 00 4,150,700 00
Total.....	\$25,492,150 00

On the 13th day of November, A. D. 1894, an agreement was entered into between your Company and the Louisiana & Missouri River Railroad Company, a copy of which will be found appended to this Report.

Pursuant to its terms your Company has assumed all the obligations of the Louisiana & Missouri River Railroad Company, and such of them as have not been already redeemed and canceled are included in the above statement of Mortgage Bonds and other obligations.

The purchase by your Company of the common and preferred shares of the Louisiana & Missouri River Railroad Company, for which provision is made in the agreement, had been consummated at the close of the year, with the exception of 564 shares of preferred, and 955 shares of the common stock, at a cost (including all incidental expenses) of \$548,583.74, which sum has been taken from the accumulated surplus of your Company, and applied in payment for such shares and expenses.

The remainder of the shares to be purchased will cost your Company \$26,188, and the total cost of all the shares, including the expenses above referred to, will amount to \$574,771.74.

The total amount of the obligations of the Louisiana & Missouri River Railroad Company which have been assumed, in addition to \$439,000 of its First Mortgage Bonds, which were assumed by your Company July 5, 1870, which bonds do not represent a part of the cost of the road, is \$2,015,000, and the total cost to your Company of the Louisiana & Missouri River Railroad, under the agreement of November 13, 1894, is \$2,589,771.74, or \$25,692.18 per mile.

The common capital stock of your Company has been increased during the year by the issue and sale of 24,502 shares to its share-holders, at the price of \$114 per share.

The First Mortgage Bonds of the St. Louis, Jacksonville & Chicago Railroad, amounting to \$2,929,000, which matured on the first day of April last, have been paid and canceled.

Twenty-nine thousand dollars of your Company's Sinking Fund Gold Bonds, and sixteen thousand dollars of the Bonds of the Mississippi River Bridge Company, have been canceled on account of sinking funds during the year.

Leaving out of the account the bonds and stocks of the Louisiana & Missouri River Railroad, from the purchase and assumption of which a considerable reduction of the annual fixed charges of this Company may hereafter be expected, the total amount of bonds and capital stock, by which your property is represented, has been reduced during the year \$523,800.

At all times during the last thirty years, when it has been practicable, the total capitalization by which your system of roads is represented has been reduced.

At the end of the year 1894 the total capitalization, including all obligations assumed by your Company, is less than 60 per cent of the actual cost of the property in its present improved condition.

A dividend of 8 per cent is, therefore, the equivalent of about $4\frac{1}{2}$ per cent upon such a number of shares as would, together with the funded debt, represent the actual cost of the property.

The total amount of the capital stock and other obligations of your Company, which is shown on page 6 of this report, less the amount of the Mortgage Bonds and Stocks of other companies owned by your Company, is in round numbers \$31,256,000, and this sum is equal to \$37,061.72 per mile of railroad, or \$26,411.36 per mile, including all the tracks, of your Company.

REVENUE.

The Gross Earnings from Traffic, and Interest on temporary investments of surplus, during the last year were	\$6,565,256 01
The Total Disbursements during the same period for Operating Expenses, Taxes, Rent of Leased Lines, Interest on Bonds, and Dividends were	6,518,601 51
Balance	\$ 46,654 50

INCOME ACCOUNT.

By Balance December 31, 1893	\$2,926,350 85
By Interest on Bonds, Dividends on Stocks owned by your Company, and Sundry Receipts	482,995 84
By Gross Receipts from Traffic	6,292,236 54
	<u>\$ 9,701,583 23</u>

DISBURSEMENTS.

Interest on Funded Debt	\$ 527,503 77
Dividends	1,729,424 00
Rent paid Joliet & Chicago R. R. Co.	105,750 00
“ “ Louisiana & Missouri River R. R. Co.	120,200 69
“ “ Kansas City, St. Louis & Chicago R. R. Co.	336,035 85
“ “ Mississippi River Bridge Co.	71,000 00
Paid for Sinking Fund Bonds, purchased	33,423 75
Paid and appropriated from this Account for Additional Property, Real Estate, and New Tracks.	26,217 71
Operating Expenses, including Taxes	3,628,687 20
	<u>6,578,243 97</u>
Balance, December 31, 1894	\$3,123,340 26

The following Statements show the Earnings and Expenses during 1893 and 1894 :

GROSS EARNINGS.

PER CENT.	1893.		1894.	PER CENT.
38.227 1000	\$2,900,819 84	From Passengers	\$2,043,912 06	89.422 1000
56.155 1000	4,278,117 48	" Freight	8,881,544 52	61.555 1000
02.155 1000	173,113 78	" Express	172,829 10	02.155 1000
02.155 1000	181,767 87	" Mails	181,279 79	02.155 1000
1.155 1000	88,823 24	" Miscellaneous	18,171 07	00.155 1000
	\$7,566,640 21	.....Total Earnings.....	\$6,292,286 54	

The Gross Earnings from Traffic in 1894, compared with those of 1893, are as follows :

	INCREASE.	DECREASE.	PER CENT.
From Passenger Traffic		\$856,907 78	29.512 1000
" Freight "		391,572 96	09.155 1000
" Express "	\$216 32		00.155 1000
" Mail "		488 08	00.155 1000
" Miscellaneous		25,651 17	66.155 1000

The decrease in Gross Earnings in 1894, compared with those of the preceding year, is \$1,274,403.67, or 16.442 per cent.

OPERATING EXPENSES.

PER CENT.	1893.		1894.	PER CENT.
36.712 1000	\$1,709,247 97	For Conducting Transportation	\$1,581,585 70	42.222 1000
30.155 1000	1,486,803 82	" Motive Power.....	1,187,897 89	31.155 1000
28.155 1000	1,113,867 31	" Maintenance of Way.....	699,804 98	19.155 1000
08.155 1000	896,970 15	" Maintenance of Cars.....	260,448 68	07.155 1000
	\$4,655,889 15	.....Total.....	\$3,628,687 20	

The expenditures for operating and maintaining your railroad, compared with those of the preceding year, are as follows :

	DECREASE.	PER CENT.
For Conducting Transportation	\$177,712 27	10.222 1000
" Motive Power.....	298,905 98	20.155 1000
" Maintenance of Way.....	414,062 28	37.155 1000
" Maintenance of Cars.....	186,521 47	84.222 1000

The decrease in operating expenses, compared with 1893, is \$1,027,201.95, or 22.222 per cent.

ANALYSES OF OPERATING EXPENSES, EXCLUDING TAXES.

Per Cent.	1893.		1894.	Per Cent.
61 $\frac{25}{100}$	\$2,689,629 00	Paid for Labor and Personal Services....	\$2,223,719 87	66 $\frac{27}{100}$
30 $\frac{27}{100}$	1,329,377 79	Paid for Stores	818,858 47	24 $\frac{18}{100}$
08 $\frac{18}{100}$	872,288 11	Insurance, Rents, Miscellaneous Expenses	807,245 41	09 $\frac{18}{100}$
	\$4,891,294 90	.....Total.....	\$3,848,818 25	
1893.			1894.	
4,011		Average number of men employed....	3,855	
\$2,660,969 28		Aggregate Pay Rolls.....	\$2,187,986 33	

SUMMARY OF EARNINGS AND EXPENSES.

1893.		1894.
\$7,566,640 21	.....Earnings from all Sources	\$6,392,236 54
4,655,889 15	.....Operating Expenses.....	3,628,687 20
2,910,751 06	.....Net Earnings.....	2,663,549 34
61 $\frac{532}{1000}$	..Operating Expenses per cent. of Gross Earnings..	57 $\frac{529}{1000}$

Decrease in Gross Earnings\$1,274,403 67

Decrease in Operating Expenses..... 1,027,901 95

Decrease in Net Earnings..... \$247,201 73

The decrease in Net Earnings in 1894, compared with Net Earnings in 1893, is 08 $\frac{423}{1000}$ per cent.

EARNINGS PER MILE.

1893.		1894.
\$8,971 59	.....Gross Earnings per mile of Road.....	\$7,461 00
5,520 38	.....Operating Expenses per mile of Road.....	4,302 71
\$3,451 21	.....Net Earnings per mile of Road.....	\$3,158 29

TOTAL GROSS EARNINGS FROM FARM PRODUCTS SHIPPED AT LOCAL STATIONS.

Years.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois.	Gross Earnings on Shipments of Farm Products from Local Stations in Missouri.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois and Missouri.	Per Cent. of Gross Earnings on Freight Traffic.	Per Cent. of Gross Earnings on all Traffic.
1881	\$799,824 00	\$801,662 00	\$1,100,986 00	19.848	14.557
1882	768,818 00	897,424 00	1,166,237 00	19.700	14.700
1883	576,793 90	455,089 32	1,081,882 22	16.848	11.711
1884	528,614 67	340,656 49	869,271 16	14.313	09.881
1885	599,919 88	232,372 50	882,292 38	16.700	11.000
1886	710,747 97	807,541 89	1,018,289 86	18.888	12.888
1887	712,440 85	352,561 21	1,065,002 06	17.543	11.000
1888	769,141 88	338,659 77	1,102,801 15	22.700	14.700
1889	855,872 95	390,045 56	1,245,418 51	25.350	16.550
1890	822,808 86	384,547 12	1,157,350 48	25.324	16.500
1891	841,857 76	436,465 68	1,277,823 89	25.700	16.700
1892	771,242 75	346,600 75	1,117,843 50	22.400	14.400
1893	771,788 51	269,261 08	1,041,049 54	24.300	13.700
1894	857,403 72	319,949 82	1,177,353 54	30.700	18.700
Increase.	\$85,615 21	\$50,688 79	\$136,804 00	05.200	04.200

Detailed statements, of which the foregoing is a summary, will be found in the appendix to this report.

The number of passengers transported during the year is 1,979,983, being 201,814, or 9.15 per cent less than in 1893; the number of through passengers being 117,608, and the number of local passengers 84,206 less than in that year.

The average distance traveled by passengers is about 50 miles, being 22.10 miles less than the average in 1893.

The average rate per mile by all passengers was, in 1893, 1.814 cents, and in 1894, 2.078 cents per mile.

The number of tons of freight transported during the year is 2,774,228, or about 11 per cent less than in the preceding year.

The reduction of through freight compared with that of 1893 is 100,588 tons, or 16.319 per cent, and the reduction of local freight, 253,717 tons, or 10.023 per cent.

The average rate per ton per mile was, in 1893, .284 of a cent, and in 1894, .317 of a cent.

The average distance which freight was transported in 1893, was 154.45 miles, and in 1894 152.525 miles.

The strike of coal miners, which commenced on the 21st day of April, and continued about three months, the boycott and strike of the American Railroad Union, which commenced on the 26th day of June, and continued until nearly the end of July, and the unparalleled depression of all kinds of

business throughout the entire year, account for the very great reduction in the traffic of your road.

It is now from thirty to forty years since a majority of the railroads of this country were constructed by and at the expense of corporations, to whom the several States had, by a covenant in their respective charters, or by general laws, granted the right to charge and collect reasonable rates for transportation, and it is about twenty-five years since such States, especially in the West, inaugurated the policy of reducing railway rates by the instrumentality of parallel and competing lines, for which there is not now, and has never been, a public necessity.

The several States, by reason of having authorized the construction of such lines, are morally responsible for conditions which have caused reasonable rates to be unattainable.

Many laws have been enacted by State Legislatures and by Congress during the last-named period, which provide for rules, regulations, and reduced rates, under which in combination with the subdivision of traffic which has naturally been caused by the construction of the parallel and competing roads above referred to, a large majority of Western roads have been forced to bankruptcy, but as to such matters we presume you are fully advised.

We think, however, your attention may not have been called to the burden of taxation which your Company, as well as all other railroad companies, especially those in the West, have been compelled to bear during the last twenty years.

In 1874 your Company paid State, County and Municipal taxes equal to 10 per cent of its earnings applicable to dividends. In each subsequent year the ratio of taxes to earnings is larger.

In 1894 it is $15\frac{7}{10}$ per cent, and the total amount of taxes paid is \$15,274.70 larger than in 1893.

To State, County and Municipal taxes for 1894 must be added the Income Tax, which is based on the earnings of that year, payable in July next.

The provisions of the several leases require your Company to pay all federal taxes imposed on your leased lines.

These obligations increase the amount of the Income Tax, which your Company is required to pay, to a sum which is equal to $2\frac{4}{10}$ per cent of its net revenue.

The amount of all taxes for the year 1894 is equal to $18\frac{4}{10}$ per cent of all available revenue, including that which is derived from the temporary investment of the surplus of the Company, or $21\frac{1}{10}$ per cent of the available revenue from the traffic of the road.

As to about three-fourths of the railroads in the United States, no comparison can be made between the amount of taxes and earnings available for dividends, for the reason that there are no such earnings.

From statistics published by the Inter-State Commerce Commission for the year ending June 30, 1893, it appears that the owners of railroad stocks, to the amount of more than two thousand eight hundred and fifty-nine millions of dollars (\$2,859,334,572) or 61 $\frac{24}{100}$ per cent of all such stocks received no dividends, and that the owners of more than four hundred and ninety-two millions of dollars (\$492,276,999) or 10 $\frac{23}{100}$ per cent of all railroad bonds received no interest in that year.

We learn from the same source that taxes amounting to \$36,514,689 were paid by railroad companies, which sum is equal to 36 $\frac{18}{100}$ per cent of the amount of all dividends paid to railroad shareholders in that year, which was a year of at least an average volume of business in all parts of the country.

Taking into account the income tax since imposed, and the very great reduction of railroad earnings since June 30, 1893, and especially in the calendar year 1894, in which the gross earnings of railroads were reduced about one hundred and twenty-five millions of dollars, which sum exceeds by nearly twenty-five millions the amount of all dividends paid to shareholders for the year ending June 30, 1893, we think it safe to say that in 1894 the amount of taxes imposed upon railroad companies is equal to at least fifty per cent of the total amount of all dividends paid in that year.

Truly, our hydra-headed ruler exercises unlimited power over railroads, and appears insatiable.

For the efficient services rendered by your officers in the several departments, and all persons employed under their direction, our acknowledgments are due.

Your attention is invited to the tabular statements and accounts which will be found in the appendix of this report.

By order of the Board.

T. B. BLACKSTONE,
President.

APPENDIX.

AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 11, 1895.

To the Board of Directors :

GENTLEMEN: I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31, 1894, and the operations of the road for the fiscal year 1894:

- A — General Balance Sheet.
- B — Income Account.
- C — Additional Property Account.
- D — Gross Earnings from Traffic for the year.
- E — Statement of Monthly Earnings from 1895, and Annual Expenses and Profits.
- F — General Statistics and Comparisons.
- G — Freight Transported.
- H — Statement of Gross Earnings from Shipments of Farm Products in Illinois.
- I — Statement of Gross Earnings from Shipments of Farm Products in Missouri.

Respectfully yours,

CHAUNCEY KELSEY,

Auditor.

A—General Balance Sheet, December 31, 1894.

17

To Cost of Road and Equipment.	\$ 31,153,027 16	By Capital Stock.	\$22,231,137 50
Cost of Road and Equipment.....	\$20,285,702 00	Common Stock.....	\$12,701,100 00
Cost of Road Godfrey to Wann.....	1,216,321 42	Preferred Stock.....	3,479,500 00
Cost of Road Western Branch.....	1,238,537 52	Common Stock Scrip.....	537 50
Cost of Road Coal City Branch.....	1,116,734 51	By Capital Stock, Joliet & Chi. R. R. Co., Guar'd	1,500,000 00
Cost of Road Coal City Branch.....	690,416 84	By Capital Stock Mississippi Bridge Co., Guar'd	300,000 00
Cost of Road & Chicago R. R.....	2,000,000 00	By Guaranteed Preferred Stock, Louisiana & Mo.	980,000 00
Cost of Mississippi River Bridge.....	1,000,000 00	River R. R. Co.....	7,257,850 00
Cost of St. Louis & C. R. R. R.....	5,074,200 00	By Funded Debt.....	
Louisiana & Mo. River R. R. Co.'s First Mtg.	1,346,000 00	Consolidated Sterling Bonds, due July 1, 1903.	4,379,850 00
Louisiana & Mo. River R. R. Co.'s Second Mtg.	300,000 00	St. L. & C. R. R. Co.'s Second Mtg., due	290,000 00
Louisiana & Mo. River R. R. Co. Guaranteed	323,000 00	July 1, 1903.....	1,785,000 00
Preferred Stock Assumed.....	323,000 00	La. & Mo. River R. R. Co.'s First Mtg., due	300,000 00
Machinery and Tools in Machine Shops.....	242,838 24	La. & Mo. River R. R. Co.'s Second Mtg., due	583,000 00
Machinery and Tools in Car Shops.....	70,336 73	Nov. 1, 1900.....	1,833,000 00
To Bonds of other Companies owned by C. & A.	3,179,000 00	Mississippi River Bridge Co. Bonds, due Oct.	2,513,903 00
Kan. City, St. Louis & Chicago R. R. Co. First		1, 1913.....	
Mortgage.....	3,000,000 00	By Sinking Fund Gold Bonds, due May 1, 1903.	
Mississippi River Bridge Co. First Mtg.....	136,000 00	Bonds Redeemed and Canceled.....	900,000 00
Lawrence & M. First Mtg. Bonds.....	20,000 00	Sinking Fund Bonds.....	1,147,000 00
To Stock of other Companies owned by C. & A.	1,066,183 74	Joliet & Chicago R. R. Co.'s Bonds.....	600,000 00
Kan. City, St. Louis & Chicago R. R. Co. Com'n	137,600 00	Mississippi River Bridge Co.'s Bonds.....	137,000 00
Mississippi River Bridge Co. Common.....	300,000 00	St. L. & C. R. R. Co.'s First Mtg. Bonds.....	134,903 00
Kansas City Union Depot Co.....	45,000 00	La. & Mo. River R. R. Co.'s First Mtg. Bonds.....	100 00
St. Louis Music Hall Association.....	3,000 00	By Current Liabilities.....	
Louisiana & Mo. River R. R. Co. Common.....	323,801 04	Audited Vouchers and Accounts.....	172,097 33
Louisiana & Mo. River R. R. Co. Preferred.....	285,733 70	Wages and Salaries.....	192,773 69
To Lands owned by C. & A. R. Co.		Net Traffic Balances due Other Companies.....	80,934 37
Cash.....	321,430 07	Unclaimed Dividends.....	723 70
U. S. Trust Co.—Applicable for Redemption of		Matured Interest and Coupons, Unpaid.....	115 80
Sinking Fund Gold Bonds.....	233,473 34	By Rentals Accrued, not yet due.....	
Due from Agents.....	101,800 65	By New Common Stock, Unissued.....	90,225 19
Due from Solvent Companies and Individuals.....	224,379 39	By Income Account.....	1,500 00
To other Assets	232,125 23		3,123,340 36
Materials and Supplies.....	232,125 23		
To Kansas City, St. Louis & Chicago R. R. Co.—			
struction	9,846 91		
To Illinois Trust & Savings Bank, Trustee	1,500 00		
Total	\$38,663,659 39	Total	\$38,663,659 39

APPENDIX.

AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 11, 1895.

To the Board of Directors:

GENTLEMEN: I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31, 1894, and the operations of the road for the fiscal year 1894:

- A — General Balance Sheet.
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- F — General Statistics and Comparisons.
- G — Freight Transported.
- H — Statement of Gross Earnings from Shipments of Farm Products in Illinois.
- I — Statement of Gross Earnings from Shipments of Farm Products in Missouri.

Respectfully yours,

CHAUNCEY KELSEY,

Auditor.

A—General Balance Sheet, December 31, 1894.

To Cost of Road and Equipment.....	\$ 34,153,927 16	By Capital Stock.....	\$22,221,127 50
Cost of Road and Equipment.....	\$20,368,702 60	Common Stock.....	\$18,751,100 00
Cost of Road Godfrey to Wann.....	215,361 42	Preferred Stock.....	3,470,500 00
Cost of Road Louisiana Branch.....	1,889,537 92	Common Stock Scrip.....	537 50
Cost of Road Western Division.....	1,115,724 91	By Capital Stock Joliet & Chi. R. R. Co., Guarant'd	1,500,000 00
Cost of Road Coal City Branch.....	690,416 34	By Capital Stock Mississippi Bridge Co., Guarant'd	300,000 00
Cost of Joliet & Chicago R. R.....	2,000,000 00	By Guaranteed Preferred Stock, Louisiana & Mo.	389,000 00
Cost of Mississippi River Bridge.....	1,000,000 00	River R. R. Co.....	7,357,550 00
Cost of St. L., J. & C. R. R.....	5,074,200 00	By Funded Debt.....	4,379,850 00
Louisiana & Mo. River R. R. Co.'s First Mig. Assumed.....	1,246,000 00	Consolidated Sterling Bonds, due July 1, 1903	290,000 00
Louisiana & Mo. River R. R. Co.'s Second Mig. Assumed.....	300,000 00	St. L., J. & C. R. R. Co.'s Second Mig., due July 1, 1898.....	1,785,000 00
Louisiana & Mo. River R. R. Co., Guaranteed Preferred Stock Assumed.....	329,000 00	La. & Mo. River R. R. Co.'s First Mig., due Aug. 1, 1900.....	300,000 00
Machinery and Tools in Machine Shops.....	946,385 34	La. & Mo. River R. R. Co.'s Second Mig., due Nov. 1, 1900.....	563,000 00
Machinery and Tools in Car Shops.....	76,598 73	Mississippi River Bridge Co. Bonds, due Oct. 1, 1912.....	600,000 00
To Bonds of other Companies owned by C. & A. R. R. Co.....	3,179,000 00	By Sinking Fund Gold Bonds, due May 1, 1903.....	1,547,000 00
Kansas City, St. Louis & Chicago R. R. Co. First Mortgage.....	3,000,000 00	By Bonds Redeemed and Canceled.....	1,500,000 00
Mississippi River Bridge Co. First Mig.....	159,000 00	Sinking Fund Bonds.....	134,803 00
Pawnee R. R. First Mig. Bonds.....	20,000 00	Sinking Fund Gold Bonds.....	100 00
To Stock of other Companies owned by C. & A. R. R. Co.....	1,066,183 74	Joliet & Chicago R. R. Co.'s Bonds.....	172,087 38
Kan. City, St. Louis & Chicago R. R. Co. Com'n.....	157,600 00	Mississippi River Bridge Co.'s Bonds.....	199,773 59
Mississippi River Bridge Co. Common.....	300,000 00	St. L., J. & C. R. R. Co.'s First Mig. Bonds.....	80,934 27
Kansas City Union Depot Co.....	45,000 00	La. & Mo. River R. R. Co.'s First Mig. Bonds.....	115 30
St. Louis Music Hall Association.....	5,000 00	By Current Liabilities.....	90,325 19
Louisiana & Mo. River R. R. Co. Preferred.....	293,801 04	Audited Vouchers and Accounts.....	1,500 00
Louisiana & Mo. River R. R. Co., Common.....	295,753 70	Wages and Salaries.....	3,123,340 26
To Lands owned by C. & A. R. R. Co.....	70,000 00	Net Traffic Balances due Other Companies.....	
To Cash and Current Assets.....	906,076 35	Unclaimed Dividends.....	
Cash.....	321,420 07	Matured Interest and Coupons, Unpaid.....	
U. S. Trust Co.—Applicable for Redemption of Sinking Fund Gold Bonds.....	253,475 34	By Rentals Accrued, not yet due.....	
Due from Agents.....	101,800 65	By New Common Stock, Unissued.....	
Due from Solvent Companies and Individuals.....	239,379 39	By Income Account.....	
To other Assets.....	293,135 23	Total.....	\$39,655,659 26
Materials and Supplies.....	9,545 91		
To Kansas City, St. Louis & Chicago R. R. Co. structure.....	1,500 00		
To Illinois Trust & Savings Bank, Trustee.....			

B—Income Account, December 31, 1894.

To Dividend on Preferred and Common Stock, 1894.....	\$1,729,424 00	By Balance from 1893.....	\$2,998,350 85
To Consolidated Bonds; Coupons, due January 1st.....	138,350 80	By Interest on Bonds owned by Chicago & Alton Railroad Co. K. C., St. L. & C. R. R. Coupons, due May 1st.....	\$103,000 00
Coupons, due July 1st.....	366,768 77	Compona, due November 1st.....	103,000 00
To St. Louis, Jacksonville & Chicago R. R. First Mortgage Bonds; Coupons, due April 1st.....	102,515 00	Mississippi River Bridge Bonds; Coupons, due May 1st.....	4,890 00
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds; Coupons, due January 1st.....	8,050 00	Coupons, due November 1st.....	4,890 00
Coupons, due July 1st.....	8,050 00	Louisiana & Missouri River R. R. Second Mortgage; Coupons, due May 1st.....	2,450 00
To Louisiana & Missouri River R. R. First Mort- gage Bonds; Coupons, due February 1st.....	15,365 00	Coupons, due November 1st.....	2,450 77
Coupons, due August 1st.....	15,365 00	Louisiana & Missouri River R. R. First Mort- gage; Coupons, due February 1st.....	2,450 00
To Sinking Fund Gold Bonds; Coupons, due May 1st.....	52,800 00	Coupons, due August 1st.....	2,584 72
Coupons, due November 1st.....	52,800 00	St. Louis, Jacksonville & Chicago R. R. First Mortgage; Coupons, due April 1st.....	1,300 00
To Sinking Fund Gold Bonds Redeemed and Canceled (29).....	33,423 76	Townes R. R. First Mortgage; Coupons, due October 1st.....	1,300 00
To Redemption of St. Louis, Jacksonville & Chicago R. R. Co.'s 1st Mortgage Bonds, less subscriptions to New Stock	134,803 00	By Dividend on Stocks owned by Chicago & Alton Railroad Co. Mississippi River Bridge, Dividend on Stock May 1st.....	38,082 00
To Rental—Joliet & Chicago R. R.....	105,750 00	Dividend on Stock November 1st.....	10,500 00
Mississippi River Bridge.....	71,000 00	K. C., St. L. & C. R. R. Dividend on Stock, May 1st.....	10,500 00
La. & Mo. R. R.....	120,800 69	Dividend on Stock, November 1st.....	5,516 00
K. C., St. L. & C. R. R.....	350,055 55	By Gain on Bonds Sold.....	5,516 00
To Additional Property.....	94,917 71	By Miscellaneous Income.....	1,088 87
To Operating Expenses.....	3,629,687 30	By Interest on Notes of Louisiana & Missouri River R. R. July 1st.....	7,104 98
To Balance.....	3,123,340 26	November 18th.....	1,844 24
		Interest on Sinking Fund.....	998 84
		Rents, etc., from Grundy County Coal Lands.....	2,053 64
		By Premium on New Common Stock and Scrip Sold.....	1,193 96
		By Operating Receipts.....	342,080 50
			6,293,336 54
			\$9,886,366 23

D—Gross Earnings from Traffic for Year ending December 31, 1894.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January.....	\$160,596 79	\$306,904 24	\$30,794 20	\$498,295 23
February	184,868 89	270,821 25	28,825 84	484,510 48
March	164,839 99	312,145 08	30,162 69	507,147 76
April	156,405 15	296,548 11	40,246 05	493,194 31
May.....	162,044 94	284,668 14	29,507 48	476,215 51
June.....	174,548 74	248,379 16	30,771 18	453,699 08
July.....	142,844 15	308,476 86	28,630 08	479,951 09
August	190,884 01	468,341 06	30,009 11	689,234 18
September	212,529 42	356,069 97	28,766 04	597,365 43
October.....	210,034 68	414,307 57	29,511 27	653,853 47
November	159,735 30	379,471 48	29,486 04	568,692 77
December.....	174,585 05	290,421 65	30,070 53	495,077 23
Totals for Year ...	\$2,043,912 06	\$3,881,544 52	\$366,779 96	\$6,292,236 54

E — Monthly Earnings of The Chicago & Alton Railroad Company.

MONTHS.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1894.
January	\$646,894 70	\$657,640 75	\$672,809 43	\$686,879 02	\$696,217 13	\$570,373 59	\$518,582 74	\$598,576 59	\$498,205 23
February.....	537,322 44	542,126 74	554,409 25	486,462 95	531,441 99	535,898 99	485,731 17	545,461 17	484,510 48
March	680,850 56	612,647 11	715,764 86	537,867 08	518,993 06	570,949 84	536,838 42	603,456 56	507,147 76
April	591,636 62	576,634 24	654,049 34	552,376 88	513,001 22	560,521 87	533,066 09	545,998 07	493,194 31
May	591,091 00	595,354 69	631,018 64	600,081 12	569,590 21	558,756 15	551,340 60	531,671 78	493,215 51
June	591,200 21	637,454 04	717,199 53	585,290 63	590,945 09	580,733 83	594,561 06	596,310 21	453,699 06
July	665,322 70	715,166 75	817,640 76	631,645 11	690,450 62	578,724 00	716,527 62	645,206 55	479,961 09
August.....	728,004 63	741,261 54	894,900 93	728,618 63	796,708 60	608,379 31	791,561 26	784,761 87	694,294 18
September.....	753,823 36	777,413 60	843,061 93	716,376 65	735,164 22	659,613 97	813,919 06	807,888 65	567,365 43
October.....	737,046 91	808,943 22	908,373 17	815,351 01	783,669 69	736,546 65	777,458 36	782,774 94	633,853 47
November	733,098 28	758,417 25	801,880 07	630,431 96	660,279 08	600,867 73	663,161 59	670,508 38	568,693 77
December.....	703,925 87	737,121 51	746,699 29	601,643 15	600,304 74	553,963 13	619,116 09	623,713 76	486,077 23
Total	\$7,998,169 33	\$8,060,639 34	\$8,941,326 31	\$7,511,465 19	\$7,516,616 44	\$7,065,753 13	\$7,560,861 18	\$7,780,610 53	\$6,392,366 54
Expenses, in- cluding taxes, }	\$4,612,847 40	\$4,650,955 13	\$5,270,202 84	\$4,666,064 45	\$4,671,735 99	\$4,382,001 55	\$4,453,749 80	\$4,507,768 71	\$3,698,667 20
Profits	\$3,385,321 93	\$3,409,684 16	\$3,671,123 47	\$2,845,390 74	\$2,844,880 45	\$2,683,751 60	\$3,107,111 38	\$3,272,841 82	\$2,693,699 34

F—General Statistics and Comparisons.

DESCRIPTION.	1891.	1892.	1893.	1894.	INCREASE.	DECREASE.	PER CENT.
Passenger Traffic.							
Number of Passengers Carried.....	1,952,465	2,228,572	2,181,747	1,979,933	.....	201,814	09.15%
Number of Through Passengers.....	133,414	157,798	207,317	89,709	.....	117,608	56.13%
Percentage of Through Passengers to Local Passengers.....	06.83%	07.98%	09.10%	04.53%	.....	04,816	52.31%
Number of Local Passengers.....	1,819,051	2,070,774	1,974,430	1,890,224	.....	84,206	04.10%
Percentage of Local Passengers to Whole Number.....	93.17%	92.02%	90.90%	95.47%	04.10%	.....	05.83%
Number of Passengers Carried One Mile.....	112,463,560	132,036,917	157,984,435	98,610,298	.....	59,374,137	37.88%
Average Amount Received from Each Passenger.....	57.60	59.24	72.10	49.89	.....	22,100	31.10%
Average Rate Paid per Passenger.....	\$1.13	\$1.06	\$1.32	\$1.03	.....	\$0.29	21.10%
*Estimated Cost of Carrying Each Passenger One Mile.....	01.88	01.78	01.88	02.13	00.83%	.....	12.10%
Total Passenger Earnings, Including Mail and Express Earnings.....	01.88	01.78	01.88	01.98	00.11%	.....	35.10%
Passenger Earnings per Train Mile.....	\$2,546,236 45	\$2,705,651 71	\$3,254,700 49	\$2,397,520 95	.....	\$857,179 54	26.13%
Freight Traffic.							
Number of Tons of Freight Carried.....	3,501,327	3,516,151	3,128,593	2,774,328	.....	100,588	16.10%
Percentage of Through Freight to Local Freight.....	781,394	745,537	614,478	513,890	.....	01.18	05.10%
Number of Tons of Local Freight.....	2,719,933	2,770,614	2,514,055	2,260,338	.....	253,717	10.08%
Percentage of Local Freight to Whole Tonnage.....	79.11	78.88	80.88	81.18	01.10%	.....	01.10%
Number of Tons Carried One Mile.....	547,472,045	555,230,873	483,203,506	423,166,852	.....	60,036,654	12.10%
Average Distance Each Ton was Carried.....	157.86	157.88	154.15	152.88	.....	01.10	01.10%
Average Amount Received for Each Ton of Freight.....	\$1.43	\$1.42	\$1.37	\$1.40	.03	.....	02.10%
*Estimated Cost of Carrying One Ton One Mile.....	00.78	00.82	00.88	00.77	00.08%	.....	03.13%
Total Freight Earnings.....	\$4,998,114 87	\$4,983,596 49	\$4,273,117 48	\$3,881,544 52	.....	00.10	15.10%
Freight Earnings per Mile of Road.....	\$5,926 15	\$5,908 93	\$5,066 53	\$4,602 53	.....	\$391,573 98	09.10%
Freight Earnings per Train Mile.....	\$1 39.10	\$1 39.10	\$1 36.10	\$1 47.10	11.10%	\$464 00	09.10%

H—Statement of Gross Earnings from Shipments of Farm Products in Illinois.

YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent. of Gross Earnings from Shipments in Illinois.	Per cent. of Gross Earnings from Shipments in Illinois.
1881.....	\$ 78,364 00	\$347,867 00	\$65,560 00	\$ 81,817 00	\$162,481 00	\$68,735 00	\$799,824 00	18.85	18.76
1882.....	109,146 00	322,743 00	68,688 00	84,575 00	188,850 00	50,311 00	768,813 00	16.76	12.76
1883.....	90,471 24	188,100 54	69,497 54	96,225 00	103,700 00	78,798 58	576,792 90	12.86	08.34
1884.....	79,655 11	110,162 81	85,120 19	88,775 00	118,800 00	46,101 56	528,614 67	12.86	08.86
1885.....	88,208 09	186,291 78	108,624 74	90,200 00	139,650 00	56,960 22	599,919 88	14.86	10.86
1886.....	88,425 36	242,810 10	107,811 17	106,475 00	125,225 00	40,501 34	710,747 97	18.86	12.86
1887.....	158,963 71	198,828 60	112,517 67	97,125 00	99,175 00	51,845 87	712,440 85	16.86	11.86
1888.....	176,558 69	199,047 18	148,345 50	74,200 00	97,350 00	78,640 01	769,141 88	20.86	13.86
1889.....	144,851 76	315,535 92	136,839 17	100,675 00	80,825 00	77,636 10	865,872 95	22.86	15.86
1890.....	105,792 41	847,188 03	124,944 41	87,675 00	100,700 00	56,503 51	832,803 86	28.86	15.86
1891.....	213,434 97	832,288 10	101,943 65	65,725 00	66,300 00	59,666 04	841,357 76	23.86	14.86
1892.....	198,115 74	277,408 54	96,157 93	79,775 00	80,825 00	88,960 54	771,242 75	20.86	13.86
1893.....	120,223 76	339,670 00	144,226 99	68,925 00	62,450 00	41,298 78	771,788 51	23.86	13.86
1894.....	199,286 95	344,834 29	136,292 26	60,900 00	62,350 00	48,240 22	857,408 72	27.86	17.86
Increase in 1894.....	79,064 19	4,664 29	.....	.....	5,900 00	6,946 46	85,615 21	4.86	4.86
Decrease in 1894.....	.....	.....	7,984 78	8,025 00	.....	.....	.....	.....	.....

I—Statement of Gross Earnings from Shipments of Farm Products in Missouri.

YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent of Gross Earnings on Freight in Missouri.	Per cent of Gross Earnings on all Traffic in Missouri.
1881.....	\$ 49,840 00	\$ 22,680 00	\$ 8,700 00	\$107,134 00	\$92,348 00	\$21,480 00	\$301,663 00	28.75	17.75
1882.....	177,281 00	37,651 00	12,615 00	67,920 00	62,440 00	39,567 00	897,484 00	20.75	20.75
1883.....	122,626 55	114,932 34	11,447 70	109,080 00	75,960 00	20,982 78	455,039 32	26.75	18.75
1884.....	106,493 29	42,416 77	9,324 26	81,440 00	84,440 00	16,042 17	340,656 49	19.75	13.75
1885.....	50,473 04	29,972 42	3,281 08	104,560 00	78,640 00	15,446 01	282,872 50	20.75	18.75
1886.....	71,187 44	21,751 91	7,863 44	108,860 00	77,640 00	25,210 10	307,541 89	20.75	18.75
1887.....	140,675 58	9,084 75	25,586 66	90,080 00	58,240 00	28,894 22	352,561 21	20.75	14.75
1888.....	95,287 68	27,989 20	28,080 69	100,880 00	66,400 00	20,052 20	333,689 77	20.75	18.75
1889.....	135,550 02	16,993 13	15,738 96	115,720 00	81,640 00	24,403 45	390,045 56	38.75	31.75
1890.....	72,894 45	12,271 83	10,976 34	125,760 00	87,640 00	25,005 00	334,547 12	31.75	20.75
1891.....	104,710 28	81,925 78	38,114 82	113,800 00	77,880 00	20,035 25	436,465 63	36.75	28.75
1892.....	111,775 10	4,009 79	9,257 81	126,920 00	71,280 00	23,858 05	346,600 75	29.75	19.75
1893.....	47,421 97	5,833 25	12,748 31	114,160 00	66,880 00	23,217 50	269,261 03	28.75	17.75
1894.....	63,867 27	88,080 64	15,891 85	107,840 00	71,480 00	23,810 56	319,949 82	39.75	24.75
Increase in 1894.....	16,445 30	82,227 39	3,143 04	.....	4,600 00	598 06	50,688 79	11.75	07.75
Decrease in 1894.....	.....	.....	.....	6,330 00	.....	.....	.....	.....	.....

COPY OF THE AGREEMENT TO WHICH REFERENCE IS MADE ON PAGE 6,
OF THIS REPORT.

THIS AGREEMENT, Made and entered into this 13th day of November, A. D. 1894, by and between THE CHICAGO & ALTON RAILROAD COMPANY, a corporation organized under the laws of the State of Illinois, hereinafter designated as the "first party," and the LOUISIANA & MISSOURI RIVER RAILROAD COMPANY, a corporation organized under the laws of the State of Missouri, hereinafter designated as the "second party,"

WITNESSETH,

THAT, WHEREAS, heretofore, to-wit: on the first day of August, A. D. 1870, the railroad, railroad tracks, right of way, depot grounds, and other grounds acquired and used for railroad purposes, together with depot buildings, engine houses, water tanks, and structures of every kind whatsoever, and the appurtenances thereto, of the said second party, were granted, demised and leased for the term of one thousand (1,000) years to the said first party, upon certain agreements and obligations in said lease mentioned, and which said lease has hitherto been and is now in full force and effect, except in so far as it is changed by the terms of an agreement between said parties made and entered into by them on the twentieth (20th) day of November, A. D. 1877.

AND WHEREAS, It is thought desirable for the mutual benefit of the shareholders of the parties hereto that the agreements, as hereinafter set forth, shall be made and entered into by and between said parties :

NOW, THEREFORE, it is agreed by the said parties hereto as follows, to-wit :

FIRST. The said first party, in consideration of the agreements and undertakings of the said second party herein contained, has agreed, and doth hereby agree, that until the expiration of the term of one thousand (1,000) years hereinbefore referred to, it will maintain and operate the railroad of the second party and assume all debts and obligations incident thereto or arising therefrom, and all taxes heretofore or hereafter legally assessed against said second party, and protect the said second party and the shareholders of the same from all claims arising therefrom; and the said second party hereby agrees that the grant, demise and lease of its property and franchises, herein mentioned or referred to, shall continue in full force and effect until the expiration of said period of one thousand (1,000) years to-wit, until the first day of August, A. D. 2870.

SECOND. The said first party further agrees to pay, as it accrues, all interest on the first mortgage bonds of the said second party now outstanding, and the principal thereof, which amounts (including Four Hundred and Thirty-Nine Thousand Dollars thereof, which it has heretofore assumed) to the sum of Seventeen Hundred and Eighty-Five Thousand (\$1,785,000) Dollars, when due and payable on the first day of August, A. D. 1900.

THIRD. The said first party further agrees to pay, as it accrues, all interest on the second mortgage bonds of the said second party now outstanding and the principal thereof, which amounts to Three Hundred Thousand (\$300,000) Dollars, when due and payable, on the first day of November, A. D. 1900.

FOURTH. The said first party further agrees to pay on the first day of February and on the first day of August in each year, semi-annual dividends, amounting to Three Dollars and Fifty Cents (\$3.50) per share (being at the rate of seven per cent per annum), on Three Thousand Two Hundred and Ninety (3,290) shares of Guaranteed Preferred Stock issued by the second party and now outstanding.

FIFTH. The said first party further agrees to pay and discharge the floating debt of said second party now outstanding, amounting to Forty Thousand (\$40,000) Dollars, and in consideration thereof said second party hereby agrees to issue and deliver to said first party Four Hundred (400) shares of its Common Capital Stock.

SIXTH. The second party, for and in consideration of the several agreements and considerations herein mentioned on the part of the said first party, has released, discharged and quit-claimed, and hereby releases, discharges and quit-claims the said first party of and from all and every covenant and obligation to pay rent for the future use of the property and franchises of the said second party, under said lease hereinbefore mentioned; and the said second party, in consideration of the several covenants and agreements herein mentioned to be kept and performed by the said first party, hereby conveys, demises, leases and transfers all of its property and franchises to the said first party for its use and benefit, to be used, enjoyed and exercised from time to time as the said first party shall think proper; and the said first party hereby undertakes and agrees to pay all necessary expenses of maintaining the organization of the second party and of protecting it against illegal and unjust claims and of the transaction of all necessary business on its part.

SEVENTH. The said second party hereby further agrees that it will not at any time hereafter make any other issue of its capital stock than that hereinbefore provided for, or any issue of mortgage bonds or other evidence of indebtedness, or create indebtedness of any kind whatsoever,

unless requested so to do by a properly certified resolution of the Board of Directors of the first party, and, in case shares of stock, mortgage bonds, or other evidence of indebtedness shall at any time be issued by said second party pursuant to such request, such issue or issues shall be for the sole use and benefit of said first party.

EIGHTH. It is further agreed by said first party, in consideration of the several agreements and considerations hereinbefore mentioned, that each shareholder of the said second party shall have the right on and after the seventeenth day of November, A. D. 1894, to sell it, said first party, such shares of the Preferred Capital Stock of the Louisiana & Missouri River Railroad Company as they may severally own, at the price of Twenty-Nine Dollars and Fifty Cents (\$29.50) per share, and such shares of the Common Capital Stock of the Louisiana & Missouri River Railroad Company as they may own, at the price of Ten Dollars (\$10.00) per share. All shares of the Capital Stock of the Louisiana & Missouri River Railroad Company so sold shall be assigned to The Chicago & Alton Railroad Company or to such person or persons as it may name, by an indorsement in the usual form on the certificates issued by the Louisiana & Missouri River Railroad Company, representing the ownership of such shares, and when such certificates are so properly assigned and delivered to the Financial Agents of The Chicago & Alton Railroad Company in the City of New York, payment will be made therefor in cash by such agents of the last named company.

IN WITNESS WHEREOF, the parties aforesaid have caused these presents to be executed in duplicate and to be sealed with their respective corporate seals, and to be signed by their respective Presidents and Secretaries, on the day and date first herein mentioned.

THE CHICAGO & ALTON RAILROAD COMPANY,

[SEAL.]

By T. B. BLACKSTONE,

President.

Attest :

C. H. FOSTER,

Secretary.

LOUISIANA & MISSOURI RIVER RAILROAD CO.,

[SEAL.]

By BRADLEY D. LEE,

President.

Attest :

C. H. FOSTER,

Secretary.

STATE OF ILLINOIS, }
 COOK COUNTY, } ss.
 CITY OF CHICAGO.

Be it known, that on this fifteenth day of November, A. D. 1894, appeared before me, the undersigned, a Notary Public, in and for said county, city, and State, TIMOTHY B. BLACKSTONE and C. H. FOSTER, both to me personally known, the first as President, and the latter as Secretary, of THE CHICAGO & ALTON RAILROAD COMPANY, at the date of the execution of the foregoing instrument, and to me known as the real persons who executed the said instrument in their several capacities as president and secretary of the company aforesaid, and each of them, severally and for himself alone, acknowledged that he had executed and delivered said instrument freely and voluntarily for the uses and purposes therein expressed; and the said C. H. FOSTER, having been by me duly sworn, did depose and say, that the seal attached to said instrument is the corporate seal of the said CHICAGO & ALTON RAILROAD COMPANY, and that he, the said C. H. FOSTER, was secretary of said company at the time of execution of such instrument, and that he affixed the seal to said instrument by authority of said company for said purpose, and that said instrument was executed and delivered as the free and voluntary act and deed of said company, for the uses and purposes in said instrument expressed which said acknowledgment and deposition are to me satisfactory evidence of the due execution and delivery of said instrument.

Witness my hand and notarial seal the day and year aforesaid.

[SEAL.]

HORACE E. R. WOOD,

Notary Public.

STATE OF MISSOURI, }
 CITY OF ST. LOUIS. } ss.

On this thirteenth day of November, A. D. 1894, before me appeared BRADLEY D. LEE, to me personally known, who being by me duly sworn, did say that he is the President of the LOUISIANA & MISSOURI RIVER RAILROAD COMPANY, of St. Louis, Missouri, same being a railroad corporation organized under the laws of said State of Missouri; and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors; and said BRADLEY D. LEE acknowledged said instrument to be the free act and deed of said corporation.

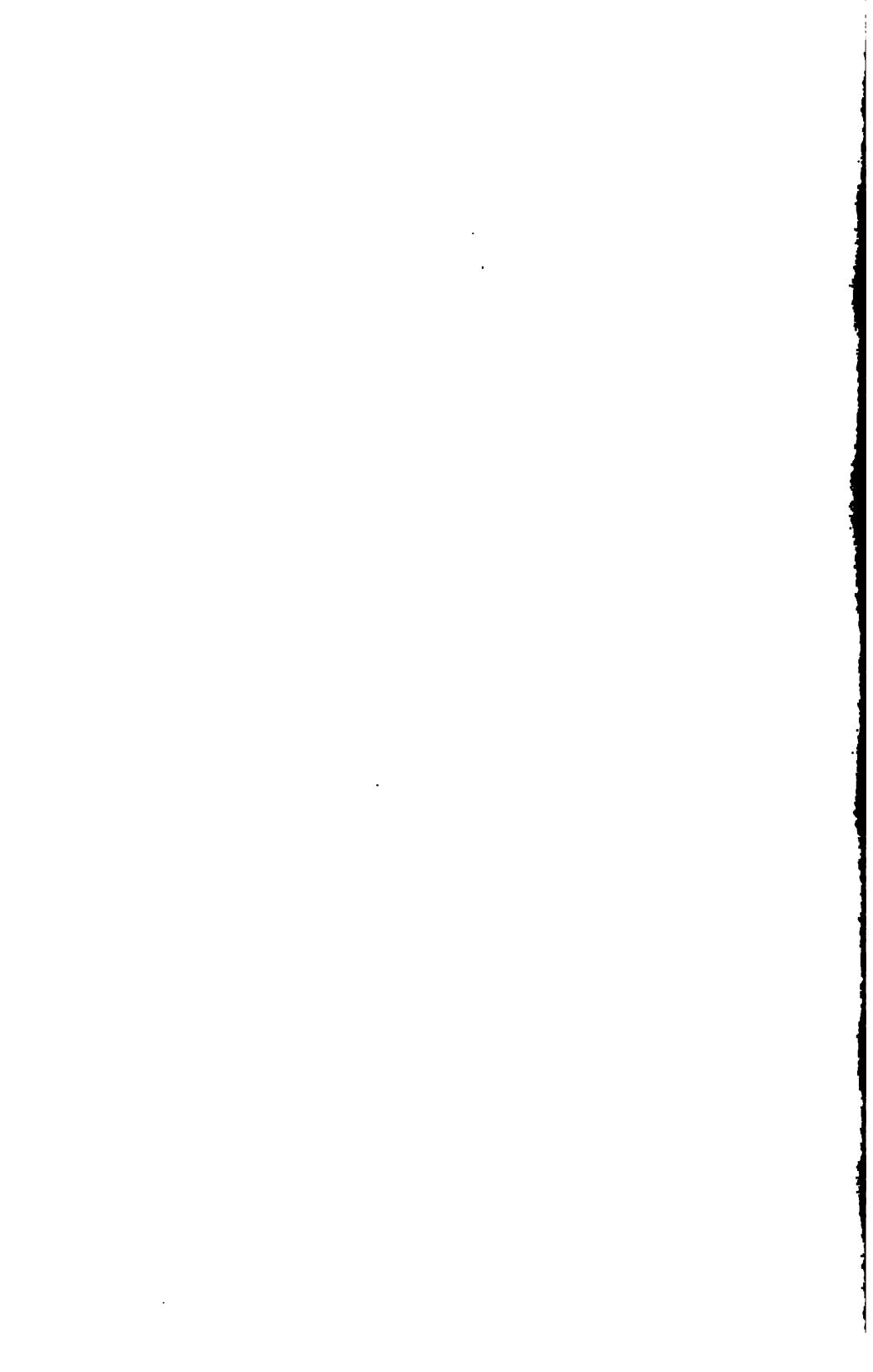
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, at my office in the City of St. Louis, State of Missouri, this thirteenth day of November, A. D. 1894.

My commission expires 31st day of July, 1898.

[SEAL.]

OSCAR F. SESSINGHAUS,

Notary Public.



THIRTY-THIRD ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

CHICAGO & ALTON

RAILROAD COMPANY,

FOR THE

YEAR ENDING DECEMBER 31, 1895.

ISSUED FEBRUARY, 1896.

CHICAGO:

RAND, McNALLY & Co., PRINTERS, 160-174 ADAMS ST.

1896.



THIRTY-THIRD ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

Compliments of

CHARLES H. FOSTER.

Secretary and Treasurer.

CHICAGO:

RAND, McNALLY & Co., PRINTERS, 160-174 ADAMS ST.

1896.



THIRTY-THIRD ANNUAL REPORT

OF THE

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1896.

DIRECTORS.

JAMES C. McMULLIN	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1896.
JOHN A. STEWART.....	NEW YORK.	
ALBERT A. SPRAGUE	CHICAGO, ILL.	
JOHN J. MITCHELL.....	ST. LOUIS, MO.	} Term of Service Expires first Monday in April, 1897.
W. N. BLACKSTONE.....	NORWICH, CONN.	
A. C. BARTLETT.....	CHICAGO, ILL.	
T. B. BLACKSTONE.....	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1898.
MORRIS K. JESUP.....	NEW YORK.	
(One vacancy).....		

OFFICERS.

T. B. BLACKSTONE.....	<i>President.</i>
CHARLES H. CHAPPELL....	<i>Vice-President and General Manager.</i>
CHARLES H. FOSTER.....	<i>Secretary and Treasurer.</i>
CHAUNCEY KELSEY.....	<i>Auditor.</i>
WILLIAM BROWN.....	<i>General Solicitor.</i>
WILLIS E. GRAY	<i>General Superintendent.</i>
J. H. WOOD.....	<i>General Manager's Assistant.</i>
H. H. COURTRIGHT.....	<i>General Freight Agent.</i>
JAMES CHARLTON.....	<i>General Passenger and Ticket Agent.</i>
H. C. DRAPER.....	<i>Chief Engineer.</i>
JACOB JOHANN	<i>Superintendent of Machinery and Cars.</i>
A. V. HARTWELL	<i>Purchasing Agent.</i>



DIRECTORS' THIRTY-THIRD ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company:

The Board of Directors submit the following Report for the year ending December 31, A. D. 1895:

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS		
Chicago to East St. Louis.....	280.70	108.09	123.93	511.73
Coal City Line.....	24.48	.....	12.72	37.20
Dwight to Washington and Lacon	79.75	.....	6.55	86.30
Roodhouse to Kansas City.....	250.42	1.84	63.28	315.54
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.....	158.00	.....	19.61	177.61
Mexico to Cedar City	50.00	.....	8.51	58.51
Total Miles	843.85	109.93	228.60	1,181.88

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares....	18,751,100 00
Total amount of Stock.....	<u>\$22,230,600 00</u>

MORTGAGE BONDS AND OTHER OBLIGATIONS.

St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent Bonds, due July 1, 1898, assumed by your Company.....	\$ 280,000 00	
Louisiana & Missouri River Railroad First Mortgage 7 per cent Bonds, due August 1, 1900, assumed by your Company.....	1,785,000 00	
Louisiana & Missouri River Railroad Second Mortgage Bonds, due November 1, 1900.....	300,000 00	
Chicago & Alton Sinking Fund 6 per cent Gold Bonds, due May 1, 1908	1,882,000 00	
Consolidated Chicago & Alton 6 per cent Sterling Bonds, due July 1, 1908—£900,000, say.....	4,379,850 00	
Mississippi River Bridge Company's First Mortgage Sinking Fund 6 per cent Bonds, due October 1, 1912, assumed by your Company.....	547,000 00	
Total amount of Bonds.....		9,078,850 00
Joliet & Chicago Stock, on which perpetual dividends at the rate of 7 per cent per annum are guaranteed, \$1,500,000 00		
Louisiana & Missouri River Guaranteed Stock on which perpetual dividends of 7 per cent per annum are guaranteed.....	329,000 00	
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent annual dividends are guaranteed, 1,750,000 00		
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent per annum, are contingent upon gross earnings....	271,700 00	3,850,700 00
Total.....		<u>\$35,155,150 00</u>

The bridge over the Mississippi River, together with the railroad tracks and other property of the Mississippi River Bridge Company, heretofore held by your Company under a lease, was purchased on the 29th day of April, 1895, and is now owned by your Company subject to the 6 per cent Sinking Fund Mortgage Bonds of the Bridge Company, the amount of which now outstanding is \$547,000.

Your Company owns all of the shares of the Capital Stock of the Mississippi River Bridge Company and all of its Bonds outstanding except those representing \$390,000.

Twenty-one thousand dollars of your Company's Sinking Fund Gold Bonds, and \$16,000 of the Bonds of the Mississippi River Bridge Company, have been canceled on account of sinking funds during the year.

REVENUE.

The Gross Earnings from Traffic, and Interest on temporary investments of surplus, during the last year were	\$7,044,011 83
The Total Disbursements during the same period for Operating Expenses, Taxes, Rent of Leased Lines, Interest on Bonds, and Dividends were.....	6,768,831 44
Balance	\$ 280,179 89

INCOME ACCOUNT.

By Balance December 31, 1894.....	\$3,123,340 26
By Interest on Bonds, Dividends on Stocks owned by your Company, and Sundry Receipts.....	241,525 29
By Gross Receipts from Traffic.....	6,802,486 04
	<u>\$10,167,351 59</u>

DISBURSEMENTS.

Interest on Funded Debt.....	\$ 579,618 60
Dividends	1,778,448 00
Rent paid Joliet & Chicago R. R. Co.	105,750 00
“ “ Kansas City, St. Louis & Chicago R. R. Co.	817,022 15
Paid for Sinking Fund Gold Bonds purchased	24,481 08
“ Premium on Scrip redeemed.....	24 50
“ Wiggins Ferry Co., Settlement of Old Claims....	203,704 69
“ and appropriated from this Account for Additional Property, Real Estate, and New Tracks.	18,764 71
Operating Expenses, including Taxes	8,982,992 69
	<u>7,010,806 42</u>
Balance, December 31, 1895.....	\$3,156,545 17

The following Statements show the Earnings and Expenses during 1894 and 1895 :

GROSS EARNINGS.

PER CENT.	1894.		1895.	PER CENT.
82.48%	\$2,048,912 06	From Passengers	\$2,134,155 85	81.37%
61.88%	8,881,544 52	“ Freight	4,289,909 80	63.85%
09.78%	172,329 10	“ Express	174,693 16	02.58%
02.78%	181,279 79	“ Mails	195,508 46	02.87%
00.78%	18,171 07	“ Miscellaneous	8,224 77	00.13%
.....	\$6,292,236 54	.....Total Earnings.....	\$6,802,486 04	.....

The Gross Earnings from Traffic in 1895, compared with those of 1894, are as follows :

	INCREASE.	DECREASE.	PER CENT.
From Passenger Traffic	\$ 90,248 29	.....	04.41%
“ Freight “	408,864 78	.....	10.53%
“ Express “	2,864 06	.....	01.66%
“ Mail “	14,228 67	.....	07.83%
“ Miscellaneous “ .....	.....	\$4,946 80	37.55%

The increase in Gross Earnings in 1895, compared with those of the preceding year, is \$510,249.50, or 8.12% per cent.

OPERATING EXPENSES.

PER CENT.	1894.		1895.	PER CENT.
42.38%	\$1,531,585 70	For Conducting Transportation	\$1,548,177 04	38.87%
31.78%	1,187,897 89	“ Motive Power	1,191,086 65	29.78%
19.77%	699,804 98	“ Maintenance of Way	879,718 72	22.87%
07.78%	260,448 68	“ Maintenance of Cars	864,015 28	09.13%
.....	\$8,628,687 20	.....Total.....	\$8,982,992 69	.....

The expenditures for operating and maintaining your railroad, compared with those of the preceding year, are as follows :

	INCREASE.	PER CENT.
For Conducting Transportation	\$ 16,641 84	01.28%
“ Motive Power	58,688 76	04.73%
“ Maintenance of Way	180,408 79	25.78%
“ Maintenance of Cars	108,566 60	39.78%

The increase in operating expenses, compared with 1894, is \$354,305.49, or 9.18% per cent.

ANALYSIS OF OPERATING EXPENSES, EXCLUSIVE OF TAXES.

Per Cent.	1894.		1895.	Per Cent.
66 ³⁷ / ₁₀₀	\$2,222,719 87	..Paid for Labor and Personal Services..	\$2,815,685 86	62 ³⁵ / ₁₀₀
24 ¹⁸ / ₁₀₀	818,858 47	.....Paid for Stores.....	1,051,790 18	28 ¹⁸ / ₁₀₀
99 ¹⁸ / ₁₀₀	807,245 41	Insurance, Rents, Miscellaneous Expenses	838,741 67	08 ¹⁸ / ₁₀₀
.....	\$3,848,818 25	.....Total.....	\$3,696,147 18	.....
1891.			1895.	
8,355	..Average Number of Men Employed..		8,550	
\$2,187,986 38	.....Aggregate Pay Rolls.....		\$2,280,085 02	

SUMMARY OF EARNINGS AND EXPENSES.

1894.		1895.
\$6,292,236 54	.....Earnings from all Sources	\$6,802,486 04
3,628,687 20	.....Operating Expenses.....	3,982,992 69
\$2,663,549 34	.....Net Earnings.....	\$2,819,493 35
57 ⁹⁴⁹ / ₁₀₀₀	..Operating Expenses per cent of Gross Earnings..	58 ⁵⁵² / ₁₀₀₀

Increase in Gross Earnings	\$ 510,249 50
Increase in Operating Expenses	354,805 49
Increase in Net Earnings.....	\$155,944 01

The increase in Net Earnings in 1895, compared with Net Earnings in 1894, is 5⁸⁵⁵/₁₀₀₀ per cent.

EARNINGS PER MILE.

1894.		1895.
\$7,461 00	.....Gross Earnings per mile of Road.....	\$8,066 02
4,302 71	.....Operating Expenses per mile of Road.....	4,722 83
\$3,158 29	.....Net Earnings per mile of Road.....	\$3,343 20

TOTAL GROSS EARNINGS FROM FARM PRODUCTS SHIPPED AT LOCAL STATIONS.

Years.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois.	Gross Earnings on Shipments of Farm Products from Local Stations in Missouri.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois and Missouri.	Per Cent of Gross Earnings on Freight Traffic.	Per Cent of Gross Earnings on all Traffic.
1881	\$799,824 00	\$301,663 00	\$1,100,986 00	19.88%	14.88%
1882	768,818 00	897,424 00	1,166,237 00	19.88%	14.88%
1883	576,793 90	455,089 82	1,081,883 23	16.88%	11.78%
1884	528,614 67	840,656 49	869,371 16	14.88%	09.88%
1885	599,919 88	282,372 50	882,292 38	16.88%	11.88%
1886	710,747 97	807,541 89	1,018,289 86	18.88%	12.88%
1887	712,440 85	852,561 21	1,065,002 06	17.88%	11.88%
1888	769,141 88	833,659 77	1,102,801 15	22.88%	14.88%
1889	855,872 95	890,045 56	1,245,418 51	25.88%	16.88%
1890	822,808 86	884,547 12	1,157,850 48	25.88%	16.88%
1891	841,857 76	436,465 63	1,277,823 89	25.88%	16.88%
1892	771,242 75	846,600 75	1,117,843 50	22.88%	14.88%
1893	771,788 51	269,261 08	1,041,049 54	24.88%	13.88%
1894	857,408 72	819,949 82	1,177,358 54	30.88%	18.71%
1895	928,240 15	848,288 00	1,276,478 15	29.78%	18.78%
Increase.	\$70,836 48	\$28,288 18	\$99,124 61	.....	0.88%
Decrease.	.....	.....	.....	0.87%	.....

Detailed statements, of which the foregoing is a summary, will be found in the appendix to this report.

The number of passengers transported during the year is 2,169,169, being 189,236, or 9.55% per cent more than in 1894; the number of through passengers being 17,788, and the number of local passengers 171,448 more than in that year.

The average distance traveled by passengers is 50.917 miles, being 1.118 miles more than the average in 1894.

The average rate per mile by all passengers was, in 1894, 2.911 cents, and in 1895, 1.938 cents per mile.

The number of tons of freight transported during the year is 3,244,279, or 16.943 per cent more than in the preceding year.

The increase of through freight, compared with that of 1894, is 34,493 tons, or 6.712 per cent, and the increase of local freight, 435,558 tons, or 19.970 per cent.

The average rate per ton per mile was, in 1894, .911 of a cent, and in 1895, .867 of a cent.

The average distance which freight was transported in 1894, was 152.88 miles, and in 1895, 152.960 miles.

For the efficient services rendered by your officers in the several departments, and all persons employed under their direction, our acknowledgments are due.

Your attention is invited to the tabular statements and accounts which will be found in the appendix of this report.

In States in which railroads have been constructed at the expense of non-residents, the railroad history of the last quarter of a century presents some remarkable features.

It is not our purpose to attempt to predict what the people of the States we have referred to will hereafter do in the matter of constructing railroads or in the enforcement of reduced railway rates, but it is an old maxim that history repeats itself, and if the history of organized popular control of railways in such States is to be repeated, it should be of use as a warning, especially to those who may be requested to aid in the construction of new railroads, or the reorganization and repair of bankrupt roads.

In the matter of railway construction and control, the policy of the people, which is still continued in many States, had been so clearly manifested seventeen years ago that your Company decided that unless it should thereafter appear that it had been changed, it would be unsafe for it to make further extensions of its railway, and that its policy should be that which it has since pursued in fortifying its position with reference to such conditions as it has been compelled to contend with.

It was long ago held by the Supreme Court of the United States that "the charter of a railroad corporation is a contract within the meaning of the contract clause of the Federal Constitution," but for many years the people of the States to which we have referred apparently have failed to give due consideration to the fact that each railroad company, before commencing the construction of its railroad, entered into a contract with each State in which its road, or any part thereof, is located, and that upon the faith of the State so pledged the company expended a very large amount of money in constructing and equipping its road.

One of the provisions in all such contracts is, in substance, that the State will always permit, and the railroad company shall always have, power to charge and collect reasonable rates for transporting persons and property, and in all cases at the time such contracts were made it was doubtless understood by both parties that the railway rates then considered reasonable should thereafter be so considered, unless new conditions should arise under which the railroad company, by charging lower rates, could obtain a reasonable aggregate compensation for the use of its capital and for its services as a common carrier.

And, especially, as to all such contracts made twenty-five or more years ago, it was understood from their very nature and object, as clearly as though it had been stated therein, that the State, in providing for such public highways as railroads are held to be, would cause no more of them to be constructed than it intended the people should support by payments for their use.

It was also understood that railroad companies would be afforded such protection as is involved in the enforcement of all laws, and especially the common law relative to common carriers; and that railroad property would be taxed on the same basis, with reference to its actual value, as other property is taxed. In these matters, as well as in many others, the just expectations of railway companies have not been realized.

At the beginning of the last quarter of a century there were in the United States 53,400 miles of railroad, or one mile for each 722 inhabitants, and the rates for railway transportation were less than such rates were then, or at any time since have been, in any other country in the world.

With the exception of those in the Eastern and Middle States, three-fourths of the railroads in this country were then earning no more, and many of them less, than their fixed charges. Under such conditions the people demanded still lower rates, and a law was enacted by the Legislature of Illinois, approved May 2, 1873, and similar laws have long been in force in other States, which practically empower railroad commissioners to limit railway rates at their discretion.

An eminent writer upon the subject of railway management, in an article published in the North American Review, in its April number, 1875, referring to this law, asserts that "the Illinois railroad law was ingeniously framed so as to make those who were to use the railroads of Illinois the final arbiters as to what it was reasonable they should pay for such use." More than twenty years' experience under the law has proved the truth of the assertion.

This law practically affords absolute protection against charges in excess of those declared reasonable by railway commissioners, who are appointed by the people to guard and protect their interests. But with reasonable rates the people apparently are not satisfied, and they have long acted upon a plan by which railway rates are reduced below such as are declared reasonable by railway commissioners. This plan reduces the price of railway transportation by increasing its cost. It is based upon contracts made by the State with persons who build railroads for the purpose of making a profit for themselves while the roads are being constructed.

After the State has caused the construction of as many railroads as can be operated with economy, it contracts with such persons as we have

referred to for such number of competing roads as will, by the subdivision of traffic and by the orders of its railroad commissioners, force, at least, a part of them to bankruptcy. With bankruptcy staring it in the face, a railroad company does what business men generally do under similar circumstances. Ever hopeful, until the sheriff appears, that failure may be avoided, or, at least, postponed, it borrows money until its credit is exhausted, and sells transportation at any sacrifice to obtain money to meet its maturing obligations; and by reason of the law which prohibits agreements with its competitors, by which expenses might be reduced, its progress to bankruptcy is accelerated. When bankruptcy can no longer be postponed, the road passes to the hands of a receiver, who operates it until those at whose expense it was constructed can be induced to contribute such amount of money as is needed to effect a reorganization, pay the floating debt, and start it again on its downward way to bankruptcy. And thus its history is repeated.

That which we have above outlined has been the experience during the last twenty-five years of more than three-fourths of the railroad companies of the country, and, as to many of them, it has been several times repeated.

When a railroad company is struggling to avoid bankruptcy, its more fortunate competitors are compelled to make rates ruinously low to retain their traffic, and, therefore, the plan of the people for obtaining cheap transportation on all railroads is successful. The people, apparently, forgetting their contracts, attempt to justify such action by saying that their object is commercial competition; but there can be no commercial competition in the absence of the right to sell what the competitor has to offer at what it is worth in the market, or in the absence of the right to decline to sell when the market price is not satisfactory. Commercial competition does exist among carriers on the oceans, lakes, and rivers, although many of them are incorporated under State charters. They are permitted to sell transportation or to decline to sell it at their pleasure, and are not restricted as to their charges. There are good reasons why such freedom of action can not be permitted on railways, but such reasons render commercial competition among them impossible. The result is not competition in the common acceptance of that term; it is strife which causes evils without number, and the confiscation of railway property.

The railroad problem, of which so much is said, is what the people have made it, and it is not surprising that the people find much in it that they would prefer to have the world believe is not the result of their own acts.

In pursuing its railway policy the State, apparently, has not considered whether it is consistent with its honor, after having contracted for the

construction of railroads and authorized the issue and sale of securities based thereon, to subsequently take such action as it has taken, thereby destroying the value of such securities without compensating the persons who, relying upon its good faith, have purchased them. If the State decides that the public interest requires it to destroy such rights as it has granted by contract, or to take or destroy private property of any kind, we presume no one will deny its right to do so by the exercise of its power of eminent domain, and the payment of damages, judicially ascertained; but the destruction of private rights or property, without payment therefor, is manifestly wrong.

There is a very numerous class of persons, especially in the Western States, who profit greatly by reason of railroad poverty, and the railroad policy of the people for many years has been, in a great degree, shaped and promoted by them. Such persons obtain advantages over their more conscientious competitors in trade, by inducing impecunious railroad companies to secretly reduce railway rates in consideration of their patronage, and they have long since learned that when the company yields to their solicitation, it is ever poverty, and not the will, that consents. In the nature of such cases, lawful rates would be insisted upon if the pressure of need were not too strong to be resisted.

By reason of the course the people have pursued, there are four or five times as many competing railroads as are needed, and only about one-fourth, consisting of those most advantageously located, and such as have superior facilities, have for the last twenty-five years been able to earn dividends. The remaining three-fourths of the railroads, for the greater part of that period, have earned less than their fixed charges; and although hundreds of them have been sold in bankruptcy, reorganized and repaired, very few, if any of them, have thereafter earned any return whatever for those who have contributed the cost thereof. Such contributions, aggregating many millions of dollars, have been made with the hope that with an increased development of the country, and the consequent increase of traffic, the people would permit increased net earnings, by which, at least, a part of the cost of the roads might be saved; but although the expected development of the country and the increased amount of traffic have been realized, the States have continued to contract for railways to subdivide the traffic, and railway commissioners have continued to reduce railway rates to such extent, that in many parts of the country the net earnings per mile of railway are less than such earnings were twenty-five years ago. It, therefore, appears in nearly all cases, that the money contributed in the hope of saving such properties, has been, in effect, contributed to enable the people to continue to enforce railway service at less than its actual cost.

It is difficult to ascertain precisely what the total reduction of railway rates during the last twenty-five years has been, but, approximately, in the Western States the average of passenger rates was at least 50 per cent, and the average of freight rates at least 100 per cent higher in 1870 than in 1895. In view of the fact that at all times during that period the average of operating expenses has been equal to from 65 to 75 per cent of the rates charged, it is easy to see that such reduction of rates has, in the case of most roads, naturally led to bankruptcy. It is, however, but just to say that so far as we are advised, when railway commissioners have ordered rates reduced they have acted in accordance with the imperative wishes of those by whom they are employed. Under such conditions the railway mileage of the country has been increased during the last quarter of a century 237 per cent, while during the same period the population of the country has increased, approximately, 78 per cent; and still in many States there is a standing invitation to contract for the construction of railroads under laws that require no inquiry as to the use that can be made of them when completed, or at any time thereafter.

It is interesting to contrast the railway policy of this country with that of other countries. On page 20 of this report may be found a tabular statement, compiled from consular and other official reports, in which is shown the total railway mileage, the number of miles of railway for each 100 square miles of territory, the number of inhabitants for each mile of railway in eight of the principal European countries, in the United States as a whole, and in each of forty-four States in the Union, which presents interesting comparisons. For example, comparing Great Britain and Ireland with Illinois, we find that the former, for each mile of railway, has nearly 12 per cent more territory and five times as many inhabitants as the latter.

Comparing Great Britain and Ireland, Belgium, France, Germany, Russia, Austria-Hungary, Italy, and Spain with the United States, we find that in the European countries named there is an average of 2,617, and in the United States only 380 inhabitants for each mile of railroad. In the European countries last named the total railway mileage reported is 127,673 miles, or about 71 per cent of that of the United States, and the total population is about 335,000,000.

The average rates for railway transportation in Europe are from 50 to 100 per cent higher, and the wages of railway employés, on which the cost of railway transportation largely depends, are only about one-half of those paid in this country.

In the matter of governmental control of railway rates—for example, in France, where six of the seven railway systems are operated by corporations chartered by the State—the State reserves the right to limit the

charges for transportation, but it guarantees the payment of the interest on the indebtedness of the corporations, and also a specified rate of dividends on the railway shares. If the net earnings of the road are not sufficient for such payments, the deficit is paid from the national treasury. That the right of a government to reduce railway rates involves the duty to protect railway companies from loss by reason of such reduction in that or in some other way, is recognized in all European countries.

The course pursued by the State of Illinois, relative to the construction, operation, and taxation of railways, may be considered a fair type of that pursued in all States in which railroads have been constructed with little or no cost to such States or their inhabitants.

In 1837 the State of Illinois undertook the construction of about 1,300 miles of railroad. It expended about \$15,000,000, exhausted its credit, and failed to complete any part of the proposed railways. For about ten years the State, with a population of less than 500,000, was unable to pay the interest on its debt, and very little progress was made in its development. It then appealed to persons in the older States, and made such contracts with them as we have referred to, under which such railroads as were needed were constructed, without expense to the State or its inhabitants. The benefits the people of Illinois have realized by the use of the railroads then constructed are beyond the power of computation. How unjustly the State has dealt with those who manifested their faith in its honor in the days of its adversity, is shown by its subsequent railway history.

The laws of Illinois provide for the construction of railroads upon and across streets and common highways, subject to certain conditions, but do not provide that a railroad company, after it has constructed its railroad in accordance with such conditions, may thereafter be required to reconstruct it upon a different grade. If by reason of increased travel on streets, or the establishment of new streets after the completion of a railroad, it becomes necessary to separate the grade of the railroad tracks and the grade of the streets, it seems equitable that the cost thereof be divided between the people and the railroad companies, so that each shall pay in proportion to the benefits it is to derive from the expenditure. In many States a division of cost in such cases is required by statute, and, although there is no such statute in Illinois, the equity of dividing the cost, as, for example, in the construction of viaducts in Chicago, has, for many years, until recently, been recognized and acted upon. Recently, public sentiment has changed, and now the city of Chicago demands that railway companies shall elevate their tracks so that the streets of the city may pass under them, and that the total cost thereof shall be paid by the railroad companies. The city declares that, if necessary, it will compel a

compliance with its demands by coercive measures which will impose burdens upon railroad companies more than equal to the interest on the cost of elevating the tracks.

All property in Illinois, except railroads, was assessed for taxation in 1877 at a valuation of \$892,380,972, and in 1895 at a valuation of \$753,-869,082 — decrease in valuation in nineteen years, \$138,511,890, or about 15½ per cent. With the exception of railways, the actual increase in the value of all kinds of property in the State during that period has been very great. The railroad property of the State was assessed at a valuation of \$37,141,180 in 1877, and at a valuation of \$79,231,164 in 1895. The increased railway mileage during that period is 47 per cent; the increased net earnings a fraction less than 40 per cent; and while, as before stated, the assessment of all other property in the State has been reduced 15½ per cent, the assessment of railroad property has been increased 113.56 per cent. We are unable to state the total amount of taxes paid by railroad companies in Illinois in 1895, but the amount paid in 1894 is \$3,846,378.87, which is equal to 77.43 per cent of the total amount of dividends earned in that State by all railroad companies operating railroads therein.

The Twenty-fourth Annual Report of the Railroad Commissioners of Illinois, the last published, is for the year ending June 30, 1894. From it we derive the following facts: Excluding railroad companies having less than 3 per cent of their mileage in Illinois, the report shows that nine companies operating railroads therein paid dividends, the total amount of which is equal to an average of 4.92 per cent on their shares. The report states that thirty-six companies operating railroads in the State failed to earn as much as their fixed charges, and that the total deficit of such companies is \$6,687,875. The report does not state the total amount of dividends earned in Illinois, but by dividing the amount paid by the nine companies referred to in proportion to their mileage in the States in which their roads are operated, it appears that their earnings in Illinois, applicable to dividends, amounted to \$4,967,615. It would, therefore, appear that the railroads of Illinois, considered as a whole, earned \$1,720,260 less than their total fixed charges; but the total deficit is evidently much greater, for it appears that the debit balances of the thirty-six companies referred to were increased \$12,978,355, and if we take into account the depreciation in the physical condition of the roads, which is not reported, but which always takes place under such circumstances, it is safe to say that the actual total deficit of the Illinois railroads in that year was at least \$20,000,000.

The report embraces the last four months of the period in which the Columbian Exposition was held at Chicago. It shows that 83,281,655 passengers were transported in Illinois by the railroads during the year;

that the average distance traveled in the State by each passenger was 26.84 miles, and the average fare paid for that distance was 8.24 cents less than the average cost of the carriage. The total loss by passenger traffic on the railroads in Illinois in that year amounts, in round numbers, to \$5,000,000.

By the transportation of freight of all kinds the report shows an average gain of less than 3 mills per ton per mile, but the general result of the year's traffic was a loss of, approximately, \$20,000,000, as before stated.

Notwithstanding the official report of the Commissioners shows that the railroads of Illinois, considered as a whole, were serving their patrons at rates which were less than the actual cost of the service, the publication of the report was soon followed by an order of the Commission requiring all of the railroad companies in the State to reduce their rates for transporting freight, in conformity with a new schedule and classification which has been in force since the first day of July, last. The order does not require passenger rates to be reduced.

Orders by Railway Commissioners requiring a reduction of railway rates, under such circumstances as are above referred to, speak for themselves; but they are apparently consistent with the general policy of popular control of railway affairs, as it is manifested by the imposition of excessive taxes and other burdens upon railways, the authorization of excessive railway construction, and by other means employed for reducing railway rates.

A fraction of a cent in railway rates is, comparatively, of little consequence to each railway patron, but with the railroad company it is multiplied many times, and it measures the difference between a reasonable profit and the ability to render good service on the one hand, and loss and inability to render such service on the other.

If the time shall come when every railroad company in this country shall have reason to feel that it is justly treated, and that it is possible for it, by lawful service, to ward off impending bankruptcy, the temptation to unjustly discriminate by secret rates and other unlawful practices will be mainly removed, and we may expect a rivalry among railroads prompted by their own interest in which each will strive to outdo the other in safely and promptly transporting persons and property, and in the excellence of their accommodations and service. But for such rivalry a just and reasonable support is an indispensable prerequisite.

The experience of the last quarter of a century has demonstrated that the power of the people over railway property is practically without restraint, and, necessarily, they look upon railway matters through the medium of self-interest. Whatever may be said of their intentions, the

result of popular control of railways has long been, in most cases, either total or partial confiscation.

It is difficult for us to understand why the rights of those at whose expense railroads are constructed are not as justly entitled to protection by State and Federal laws as the rights of those who use them; but, apparently, the people are as confident that they have the right to demand and enforce railway service upon such terms as may be in accordance with their will and pleasure as ever men were of their right to demand and enforce services on like terms from persons who were subject to their power.

Unless popular sentiment in this country shall so change as to practically recognize the principle—as it is recognized in other countries—that railway control by the State in the interest of the people involves the duty of the State to protect the just rights of those at whose expense railways are constructed and operated, we see no reason why we may not expect the railroad history of the last quarter of a century to repeat itself.

By order of the Board.

T. B. BLACKSTONE,
President.

B—Income Account, December 31, 1895.

To Dividend on Preferred and Common Stock, 1895.....	\$1,778,448 00	By Balance from 1894.....	\$3,193,240 28
To Consolidated Bonds; Coupons, due January 1st.....	\$183,418 46	By Interest on Bonds owned by Chicago & Alton Railroad Co. Coupons, due November 1st.....	\$103,000 00
Coupons, due July 1st.....	133,486 63	K. C., St. L. & C. R. R. Coupons, due May 1st.....	103,000 00
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds; Coupons, due January 1st.....	8,030 00	Mississippi River Bridge Bonds; Coupons, due May 1st.....	4,770 00
Coupons, due July 1st.....	8,030 00	Louisiana & Missouri River R. R. Second Mortgage; Coupons, due April 30th.....	4,740 00
To Louisiana & Missouri River R. R. First Mort- gage Bonds; Coupons, due February 1st.....	40,443 47	Pawnee R. R. First Mortgage; Coupons, due October 1st.....	758 83
Coupons, due August 1st.....	73,990 00	By Dividend on Stocks owned by Chicago & Alton Railroad Co.....	1,383 00
To Louisiana & Missouri River R. R. Second Mort- gage Bonds; Coupons, due May 1st.....	10,500 00	Kansas City Union Depot.....	12,900 00
Coupons, due November 1st.....	10,500 00	St. Louis Exposition.....	100 00
To Sinking Fund Gold Bonds; Coupons, due May 1st.....	55,590 00	By Miscellaneous Income.....	6,041 41
Coupons, due November 1st.....	55,590 00	Interest on Sinking Fund.....	930 05
To Mississippi River Bridge Co. First Mortgage Bonds; Coupons, due April 1st.....	16,800 00	Rent, etc., from Grundy County Coal Lands.....	6,802,486 01
Coupons, due October 1st.....	16,800 00	By Operating Receipts.....	
Sinking Fund.....	16,460 00		
To Sinking Fund Gold Bonds Redeemed and Canceled (21).....			
To Premium on Scrip.....	105,750 00		
To Rentals—Joliet & Chicago R. R.....	817,023 15		
K. C., St. L. & C. R. R.....			
To Wierman Ferry Co. Is Settlement of Old Claims.....	482,773 15		
To Additional Property.....	203,704 69		
To Operating Expenses.....	18,734 71		
To Balance.....	2,983,998 69		
	3,156,546 17		
	\$10,167,381 59		

C—Additional Property Account for the Year 1895.

Real Estate.....	\$ 1,838 46	By Amount charged to Income Account	\$18,764 71
Side Tracks.....	7,987 00		
Buildings.....	8,984 25		
	<u>\$18,764 71</u>		<u>\$18,764 71</u>

D — Gross Earnings from Traffic for Year ending December 31, 1895.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January.....	\$156,918 13	\$324,365 62	\$29,662 08	\$510,945 83
February	180,578 16	277,205 50	30,372 15	438,150 81
March	157,591 48	324,106 85	31,559 69	513,257 52
April	163,189 03	320,687 63	29,154 15	513,030 81
May.....	169,325 00	355,011 88	29,560 37	553,897 20
June.....	182,359 00	323,182 97	30,540 04	536,082 01
July	191,069 98	339,726 53	29,968 56	560,765 07
August	216,617 95	427,945 92	37,905 18	682,469 05
September	207,707 84	384,696 21	33,528 88	625,932 88
October.....	221,579 01	488,145 92	32,743 71	742,468 64
November	158,636 77	391,824 85	30,852 89	581,314 01
December.....	178,588 00	333,010 47	32,573 74	544,172 21
Totals for Year....	\$2,134,155 35	\$4,289,909 80	\$378,421 39	\$6,802,486 04

E — Monthly Earnings of The Chicago & Alton Railroad Company.

MONTHS.	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.
January	\$57,840 76	\$672,509 42	\$605,378 02	\$496,217 18	\$570,378 59	\$318,532 74	\$552,376 59	\$596,064 36	\$498,265 25	\$510,943 83
February	542,136 74	531,408 25	498,482 95	521,441 99	525,896 99	463,731 17	545,461 17	516,892 26	484,510 48	488,150 81
March	612,647 11	715,754 86	567,897 06	518,393 06	570,349 34	594,898 42	603,456 56	580,265 31	507,147 76	513,267 52
April	576,654 24	654,049 34	552,376 88	513,001 22	560,521 87	533,006 09	545,993 07	571,220 49	493,194 31	515,020 81
May	593,584 69	631,018 64	600,081 12	569,590 21	598,756 15	551,340 60	531,071 78	591,693 78	496,215 51	553,297 30
June	637,454 04	717,198 53	593,290 63	590,945 09	530,733 88	594,561 06	596,310 21	663,293 22	453,699 06	536,092 01
July	715,166 75	817,640 78	631,645 11	680,450 23	576,724 00	716,527 62	645,205 55	648,906 42	479,951 09	560,765 07
August	741,251 54	864,900 95	728,618 63	796,708 60	603,279 31	791,561 26	784,761 87	694,203 19	654,294 18	682,469 05
September	777,413 50	842,061 93	716,378 65	735,184 22	659,813 97	813,919 08	807,883 65	768,705 27	597,365 43	685,023 86
October	808,942 22	903,273 17	805,351 01	793,659 69	723,546 65	777,423 26	782,774 94	774,294 64	653,853 47	743,463 64
November	758,417 25	801,880 07	630,431 96	660,279 62	600,267 72	663,161 59	670,503 28	629,791 79	593,603 77	581,214 01
December	737,121 51	746,599 29	601,643 15	600,304 74	553,923 18	619,116 09	623,713 76	511,289 28	495,077 22	544,173 21
Total	\$3,060,839 34	\$3,941,266 21	\$7,511,465 19	\$7,516,616 44	\$7,065,753 15	\$7,590,881 17	\$7,720,510 53	\$7,546,640 21	\$4,292,266 54	\$5,802,485 04
Expenses, in- cluding taxes, }	\$4,650,955 18	\$5,270,202 84	\$4,663,094 45	\$4,571,725 99	\$4,383,001 55	\$4,958,749 80	\$4,807,798 71	\$4,655,869 15	\$3,686,687 20	\$3,893,962 69
Profits	\$3,409,884 16	\$3,671,163 47	\$2,848,360 74	\$2,944,890 45	\$2,682,751 60	\$2,632,131 23	\$2,912,811 82	\$2,890,771 06	\$5,603,549 24	\$2,919,493 85

F—General Statistics and Comparisons.

DESCRIPTION.	1892.	1893.	1894.	1895.	INCREASE.	DECREASE.	PBS. CNT.
Passenger Traffic.							
Number of Passengers Carried.....	2,228,572	2,181,747	1,979,933	2,169,169	189,236	.....	09.55%
Number of Through Passengers.....	157,798	207,317	89,709	107,497	17,788	.....	19.88%
Percentage of Through Passengers to Whole Number.....	07.08%	09.58%	04.53%	04.95%	00.42%	.....	09.76%
Number of Local Passengers.....	2,070,774	1,974,430	1,890,224	2,061,672	171,448	.....	09.19%
Percentage of Local Passengers to Whole Number.....	92.91%	90.42%	95.47%	95.05%	.....	.....	09.19%
Number of Passengers Carried on Mail.....	132,036,917	157,984,435	98,610,298	110,447,175	11,836,877	00.10%	12.90%
Average Rate Paid Each Passenger Carried.....	59.34%	72.40%	49.10%	50.31%	1.17%	.....	02.33%
Average Amount Received from Each Passenger.....	\$1.06	\$1.32	\$1.03	\$0.98	\$0.05	.....	04.10%
Average Rate Paid per Passenger on Mail.....	01.18%	01.16%	02.10%	01.35%	00.17%	.....	06.89%
Estimated Cost of Carrying Each Passenger One Mile.....	01.10%	01.10%	01.10%	01.10%	00.00%	.....	03.10%
Total Passenger Earnings, Including Mail and Express.....	\$2,705,651.71	\$3,254,700.49	\$2,397,520.95	\$2,504,351.97	\$106,831.02	.....	04.45%
Passenger Earnings per Mile of Road.....	\$3,206.84	\$3,859.02	\$2,842.85	\$2,969.53	\$126.68	.....	04.45%
Passenger Earnings per Train Mile.....	\$1.21	\$1.46	\$1.09	\$1.08	00.11%	.....	00.43%
Number of Tons of Freight Carried.....	3,516,151	3,128,533	2,774,228	3,244,279	470,051	.....	16.58%
Number of Tons of Through Freight Carried.....	745,537	614,478	513,890	548,383	34,493	.....	08.18%
Percentage of Through Freight to Whole Number.....	21.20%	19.64%	18.53%	16.90%	01.68%	.....	08.18%
Number of Tons of Local Freight.....	2,770,614	2,514,055	2,260,338	2,695,896	435,558	.....	19.35%
Percentage of Local Freight to Whole Tonnage.....	78.80%	80.36%	81.47%	83.10%	01.65%	.....	01.88%
Number of Tons Carried One Mile.....	555,230,873	488,203,506	428,166,852	494,914,370	71,747,418	.....	16.88%
Average Distance Each Ton Was Carried.....	157.80%	154.45%	152.43%	152.45%	1.02%	.....	00.10%
Average Amount Received for Each Ton Carried One Mile.....	\$1.42	\$1.37	\$1.40	\$1.32	\$0.08	.....	05.11%
Average Amount Received for Each Ton Carried One Mile.....	00.88%	00.84%	00.81%	00.80%	00.00%	.....	05.10%
Estimated Cost of Carrying One Ton One Mile.....	00.88%	00.84%	00.81%	00.81%	00.00%	.....	05.10%
Total Freight Earnings.....	\$4,983,596.49	\$4,273,117.48	\$3,881,544.52	\$4,289,909.30	\$408,364.78	.....	10.41%
Freight Earnings per Mile of Road.....	\$5,908.93	\$5,066.53	\$4,602.53	\$5,086.75	\$484.22	.....	10.41%
Freight Earnings per Train Mile.....	\$1.39	\$1.36	\$1.47	\$1.47	00.00%	.....	00.10%

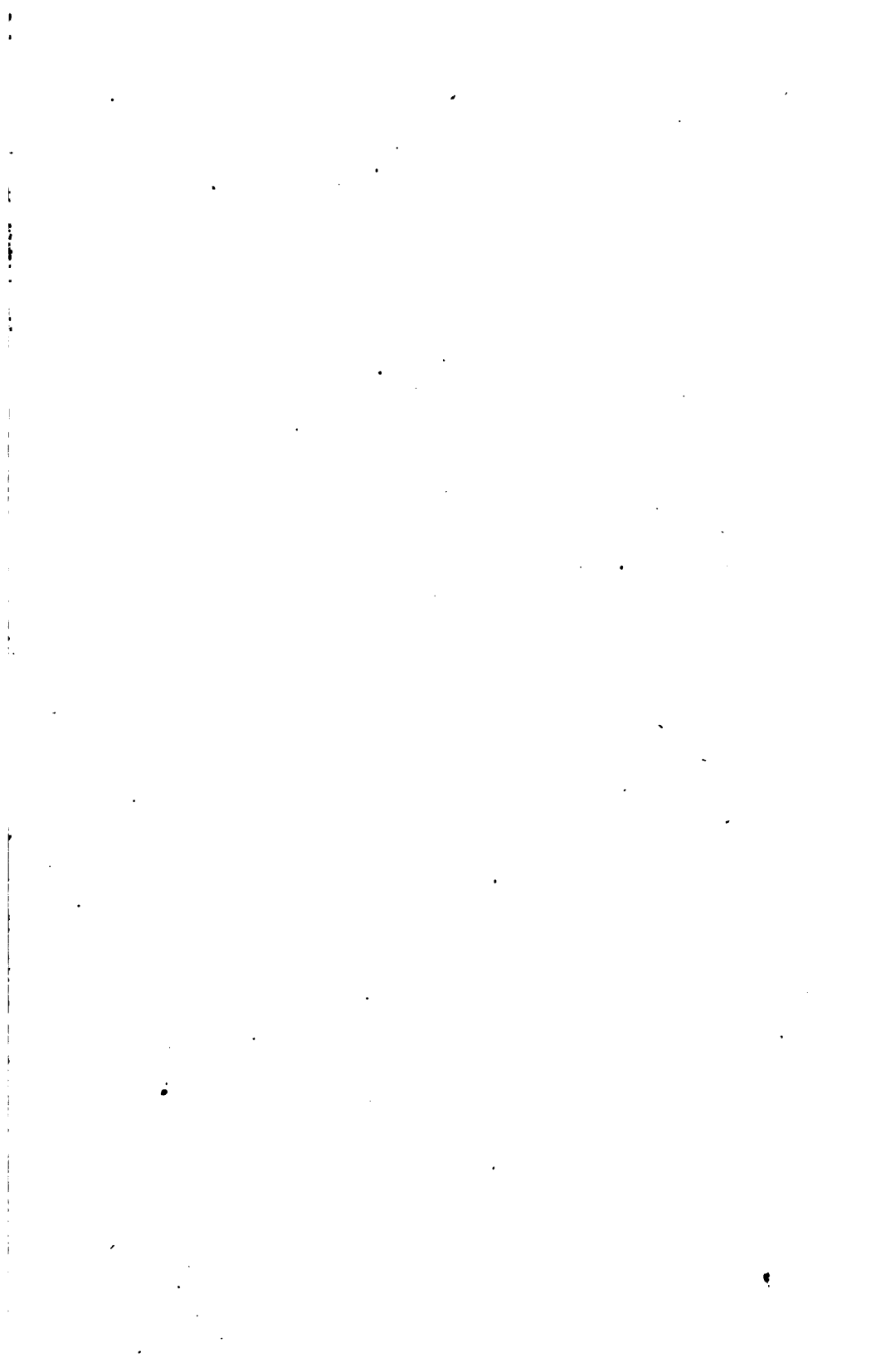
Total.	\$9,166 01	\$8,971 59	\$7,461 00	\$8,068 02	\$605 02	08,100 00
Net Earnings per Mile from Operation of Road...	\$5,700 50	\$5,520 88	\$4,302 71	\$4,732 82	\$420 11	09,100 00
Expenses per Mile of Road.	\$3,465 51	\$3,451 21	\$3,158 29	\$3,343 20	\$184 91	09,100 00
Net Earnings per Mile of Road.						
Train Mileage.						
Miles Run by Passenger Trains	2,254,398	2,226,610	2,194,329	2,307,139	112,810	05,100 00
Miles Run by Freight Trains	3,578,707	3,137,424	2,635,305	2,911,380	276,075	10,100 00
Total Mileage of Trains	5,813,105	5,364,034	4,829,634	5,218,519	388,885	08,000 00
Earnings Revenue, Maintenance and Construction and Other Trains	354,915	244,762	150,590	203,381	52,791	35,000 00
Grand Total Train Mileage.	6,167,720	5,608,796	4,980,224	5,421,900	441,676	03,000 00
Mileage of Loaded Freight Cars	47,845,314	42,585,630	37,117,441	41,548,187	4,430,746	11,000 00
Mileage of Empty Freight Cars	26,026,918	26,290,552	23,120,762	24,982,418	1,801,656	08,000 00
Total Mileage of Loaded and Empty Freight Cars.	73,872,232	68,892,182	60,238,203	66,530,605	6,232,402	10,100 00
Average Number of Freight Cars in Train.	21	22	23	23	...	...
Average Number of Loaded Freight Cars in Train.	14	14	14	14	...	...
Average Number of Empty Freight Cars in Train.	7	8	9	9	...	...
Average Number of Tons of Freight in Train.	155,148	154,913	160,474	169,993	9,417	05,000 00
Average Number of Tons of Freight in each Loaded Car	11,000	11,347	11,401	11,000	1,000	04,000 00
Tonnage of Company's Trains, of Contractors in above Figures.	202,200	212,977	190,602	157,922	...	32,680
						17,100 00

C — Freight Transported.

ARTICLES.		1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	INCREASE.	DECREASE.
Merchandise and Sundries ..	Tons.	944,995	764,685	822,019	794,615	740,151	607,694	704,886	638,933	497,497	17,471	81,446
Iron	"	318,031	86,884	160,146	122,278	137,195	40,987	85,908	28,700	46,231	301,566	
Coal	"	1,533,875	1,000,085	1,000,192	1,190,192	1,086,479	1,155,063	1,155,063	1,012,113	1,813,678	15,028	
Bran and Mill Stuffs	"	28,135	43,407	36,585	25,522	18,784	15,957	18,219	27,549	42,577	18,028	
Wool	"	8,250	1,710	2,766	2,766	2,766	94	455	1,059	1,059	88	
Hides	"	4,331	2,143	2,087	2,086	26	58	77	373	149		134
Broom Corn	"	1,555	455	400	133	564	257	463	278	149	64	
Hay	"	28,814	32,580	27,728	21,253	28,445	28,508	27,064	24,410	21,966		2,444
Ice	"	132,002	134,082	9,225	5,476	107,271	95,586	95,586	9,913	1,654		4,269
Brick and Sand	"	12,570	18,762	25,107	20,434	24,516	19,275	20,040	79,308	56,500	28,540	
Stone	"	108,146	131,270	100,497	112,829	179,898	65,607	128,474	79,308	61,263		18,066
Wheat	"	3,941,188	4,615,512	5,379,714	8,793,088	7,871,983	8,101,517	4,737,804	4,538,608	4,274,468		249,140
Corn	"	4,732,031	4,920,131	5,156,737	9,705,146	7,230,941	5,992,134	5,992,134	7,112,900	11,043,649		
Oats	"	4,254,230	4,794,918	4,794,918	4,204,151	4,690,680	5,404,468	5,404,468	4,945,281	4,673,694		3,890,949
Barley	"	666,540	1,035,168	798,616	254,088	94,284	25,744	105,216	94,588	16,233		8,276
Potatoes	"	22,798	108,641	188,163	67,496	281,546	471,204	230,263	38,486	49,103	20,716	
Flour	"	305,715	365,970	239,496	313,250	297,575	471,204	154,016	342,707	486,081	142,314	
Whisky	"	698,384	503,754	491,812	378,728	406,573	373,666	573,649	635,746	82,279		54,547
Beef	"	21,777	9,973	373,889	274,744	298,304	392,591	327,313	287,313	2,279	75,546	2,486
Pork	"	78,874	58,265	124,089	154,008	171,070	135,988	115,813	65,859	22,031		43,801
Lard	"	29,514	25,763	53,239	43,381	43,381	50,847	50,847	24,034	18,634		5,480
Salt	"	67,038	67,038	37,712	31,793	31,793	31,837	30,366	30,366	45,092	14,708	
Lumber	"	180,065,903	108,480,584	98,829,235	93,605,723	93,605,723	73,082,151	76,082,151	76,082,151	76,082,151	633,903	
Shingles	"	251	8,311	9,649	11,433	20,108	9,676	15,108	6,097	6,539	473	
Leath	"	10,999	15,059	9,174	11,093	5,523	6,055	6,630	1,371	1,337		114
Feats, Staves, etc	"	473,423	519,013	477,746	467,945	446,166	464,065	418,270	371,239	429,987	58,536	1,150
Cattle	No.	637,003	685,269	670,354	694,173	528,205	597,045	495,991	371,239	382,889		81,923
Hogs	"	155,015	239,041	203,705	298,897	298,894	194,355	194,355	194,680	116,778		17,883
Sheep	"	24,324	34,407	30,051	32,700	30,347	34,305	34,305	32,963	32,963		
Horses	"	682,273	700,136	831,157	873,433	677,380	613,333	607,098	603,456	593,349	8,633	
Milk	Gallons										149	
Cured Meats	Tons.	37,893	39,261	38,284	33,549	40,994	34,455	39,554	38,451	65,075	26,504	
Cotton	"	318,145	1,463	13,847	1,544	2,145	2,790	1,240	2,009	5,158	8,193	
Ballion	"	4,670	1,391	64,093	13,200	3,313	2,533	3,313	4,313	4,313	480	
Railroad Ties	No.	29	29	1,100	4,298	8,053	2,864	2,192	1,535	9,079		9,079
Reeds	Tons.	7,643	7,643	10,096	4,008	8,147	2,864	4,737	2,864	9,187		549
Clay Tile	"	10,931	9,966	8,773	13,370	11,199	20,493	14,037	8,989	7,468		1,401
Lime	"						11,488	15,534	14,033	18,273	4,940	
Straw Board	"						7,013	6,456	4,689	570		4,090

H—Statement of Gross Earnings from Shipments of Farm Products in Illinois.

YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent. of Gross Earnings on Farm Traffic in Illinois.	Per cent. of Gross Earnings on all Traffic in Illinois.
1881.....	\$ 78,384 00	\$347,367 00	\$65,560 00	\$ 81,817 00	\$162,481 00	\$68,785 00	\$799,824 00	18.65	18.65
1882.....	109,146 00	822,743 00	68,688 00	84,575 00	183,850 00	50,811 00	768,813 00	16.77	12.36
1883.....	90,471 24	188,100 54	69,497 54	96,225 00	103,700 00	78,798 53	576,792 90	12.66	09.66
1884.....	79,655 11	110,162 81	86,120 19	98,775 00	119,900 00	46,101 56	576,614 67	12.66	08.66
1885.....	33,203 09	186,291 78	108,624 74	90,200 00	129,850 00	56,950 22	599,919 88	14.85	10.36
1886.....	88,425 36	242,810 10	107,811 17	108,475 00	125,225 00	40,501 84	710,747 97	18.66	12.66
1887.....	158,953 71	193,323 60	112,517 67	97,125 00	99,175 00	51,845 87	712,440 85	16.66	11.66
1888.....	176,558 69	199,047 18	148,345 50	74,200 00	97,350 00	78,640 01	769,141 88	20.66	18.66
1889.....	144,851 76	315,535 92	186,829 17	100,675 00	80,825 00	77,656 10	855,872 95	22.66	15.66
1890.....	106,792 41	347,188 08	124,944 41	87,675 00	100,700 00	56,503 51	832,808 86	28.66	15.66
1891.....	213,484 97	382,298 10	101,948 65	65,725 00	68,800 00	59,666 04	841,857 76	22.66	14.66
1892.....	198,115 74	277,408 54	96,157 98	79,775 00	80,825 00	38,960 54	771,242 75	20.66	13.66
1893.....	120,222 76	339,670 00	144,226 99	63,925 00	62,450 00	41,298 76	771,788 51	23.66	12.66
1894.....	196,286 95	344,334 29	186,292 26	60,900 00	62,850 00	48,240 22	837,403 72	27.66	17.66
1895.....	117,843 94	521,770 12	119,884 70	61,900 00	68,450 00	38,891 39	928,240 15	27.66	17.66
Increase in 1895.....	1,000 00	100 00	70,886 43	00.66
Decrease in 1895.....	81,948 01	16,407 56	9,848 88





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THIRTY-FOURTH ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

CHICAGO & ALTON

RAILROAD COMPANY,

FOR THE

YEAR ENDING DECEMBER 31, 1896.

ISSUED FEBRUARY, 1897.

CHICAGO:

RAND, McNALLY & Co., PRINTERS, 160-174 ADAMS ST.

1897.

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Compliments of

CHARLES H. FOSTER,

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A. C. BARTLETT.....	CHICAGO, ILL.	
T. B. BLACKSTONE.....	CHICAGO, ILL.	} Term of Service Expires first Monday in April, 1898.
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CHAS. H. CHAPPELL	CHICAGO, ILL.	
JOHN A. STEWART.....	NEW YORK.	} Term of Service Expires first Monday in April, 1899.
ALBERT A. SPRAGUE	CHICAGO, ILL.	
(One vacancy).....		

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CHARLES H. CHAPPELL....	<i>Vice-President and General Manager.</i>
CHARLES H. FOSTER.....	<i>Secretary and Treasurer.</i>
CHAUNCEY KELSEY.....	<i>Auditor.</i>
WILLIAM BROWN.....	<i>General Solicitor.</i>
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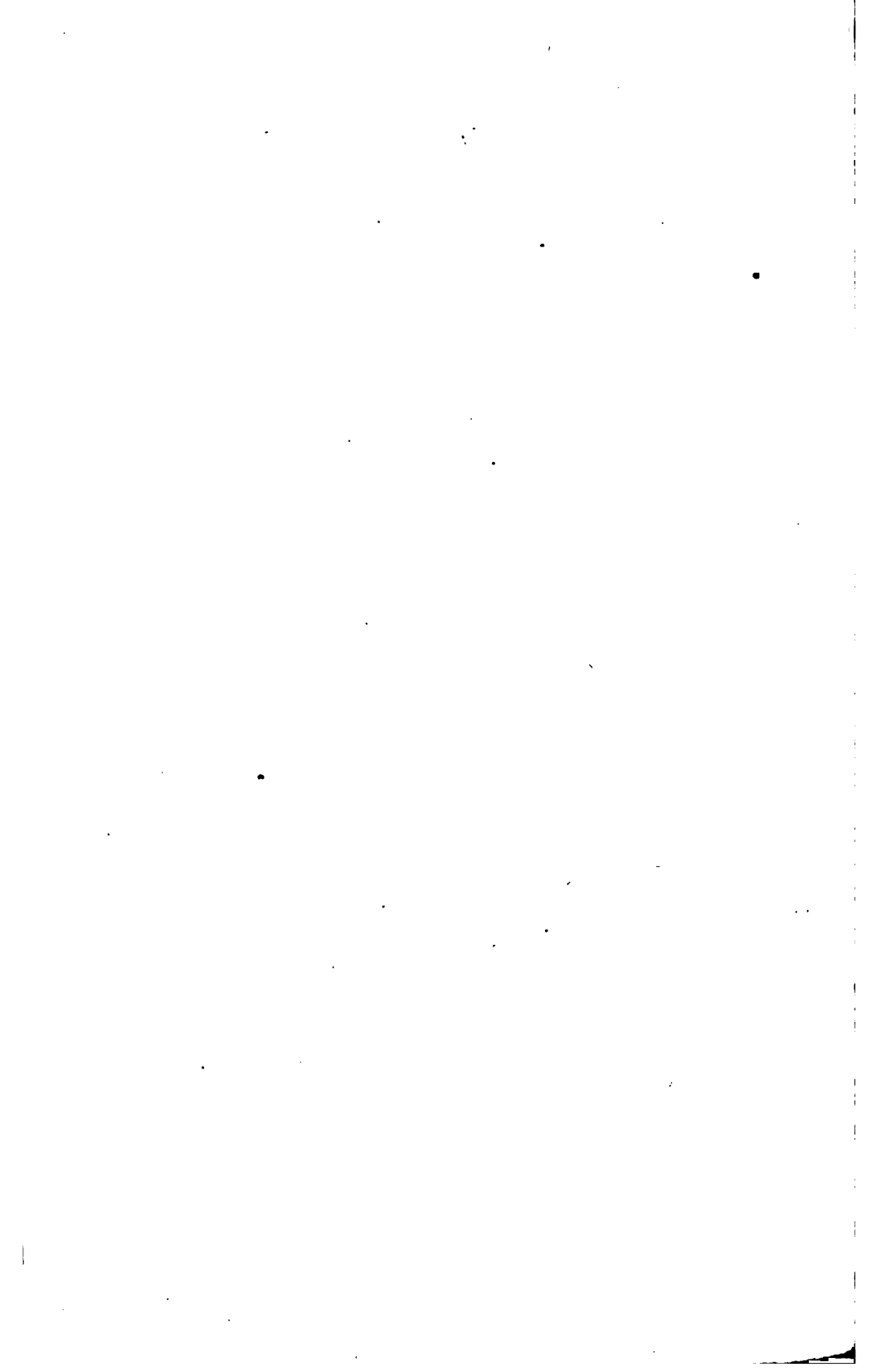
DIRECTORS' THIRTY-FOURTH ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company:

The Board of Directors submit the following Report for the year ending December 31, A. D. 1896:

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK. ALL TRACKS.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS		
Chicago to East St. Louis.....	280.70	108.09	125.08	513.87
Coal City Line.....	24.48	.....	12.66	37.14
Dwight to Washington and Lacon	79.75	.....	6.77	86.52
Roodhouse to Kansas City.....	250.42	1.84	63.11	315.87
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.....	158.00	19.61	177.61
Mexico to Cedar City.....	50.00	3.51	53.51
Total Miles	843.85	109.93	230.74	1,184.02



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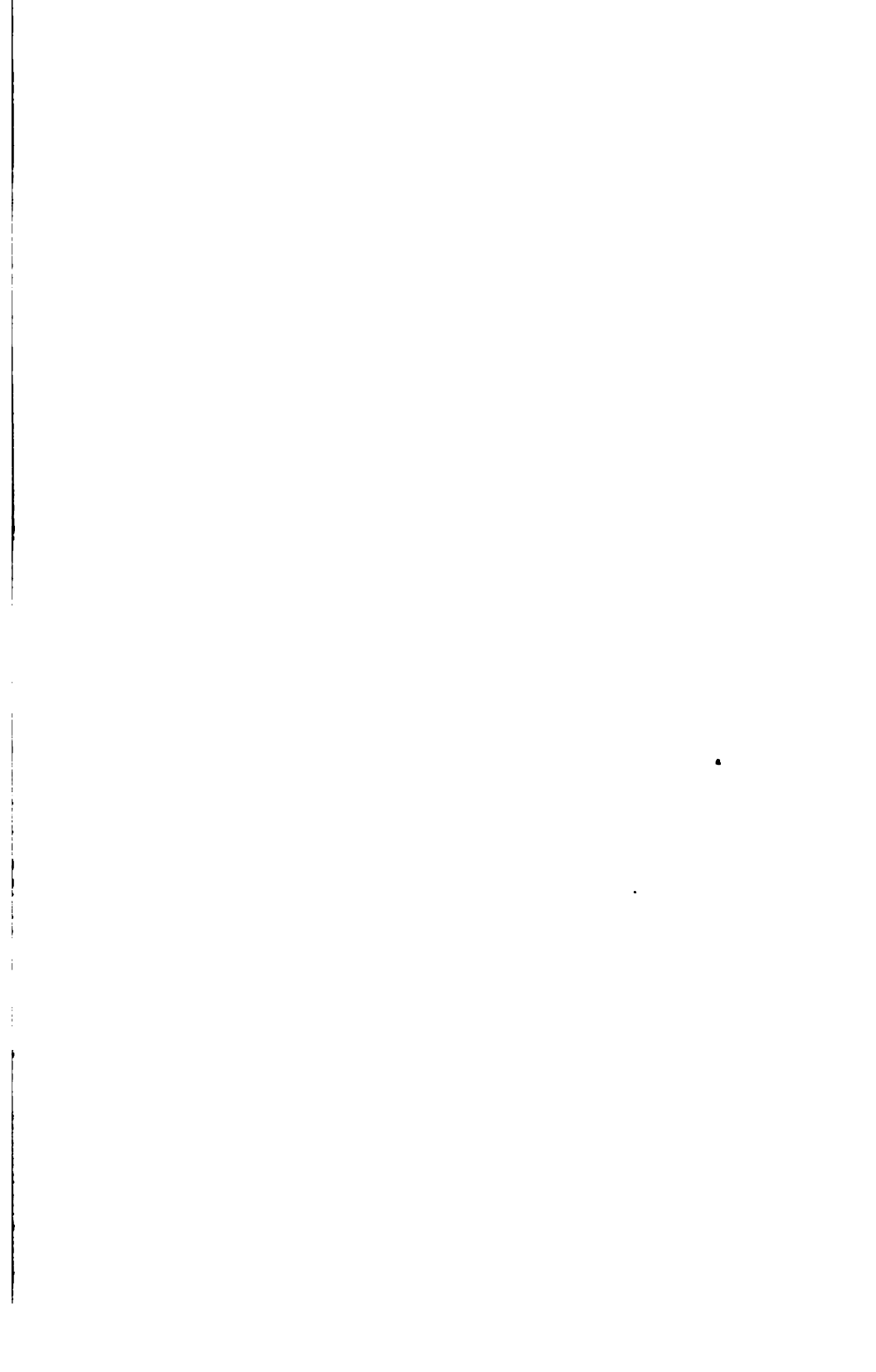
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H. C. DRAPER.....	<i>Chief Engineer.</i>
H. MONKHOUSE	<i>Superintendent of Machinery and Cars.</i>
A. V. HARTWELL	<i>Purchasing Agent.</i>



DIRECTORS' THIRTY-FOURTH ANNUAL REPORT.

To the Stockholders of The Chicago & Alton Railroad Company:

The Board of Directors submit the following Report for the year ending December 31, A. D. 1896:

LENGTH OF ROAD OPERATED.

	MILES OF MAIN AND BRANCH LINES.		MILES OF SIDE TRACK.	LENGTH OF ALL TRACKS.
	FIRST MAIN TRACK.	ADDITIONAL MAIN TRACKS		
Chicago to East St. Louis.....	280.70	108.09	125.08	518.87
Coal City Line.....	24.48	.....	12.66	87.14
Dwight to Washington and Lacon	79.75	.....	6.77	86.52
Roodhouse to Kansas City.....	250.42	1.84	63.11	815.87
Bloomington to Wann, via Jacksonville, Godfrey and Upper Alton.....	158.00	.....	19.61	177.61
Mexico to Cedar City	50.00	.....	3.51	58.51
Total Miles	843.85	109.93	230.74	1,184.02

CAPITAL STOCK.

Preferred Shares.....	\$ 3,479,500 00
Common Shares.....	18,751,100 00
Total amount of Stock.....	<u>\$22,230,600 00</u>

MORTGAGE BONDS AND OTHER OBLIGATIONS.

St. Louis, Jacksonville & Chicago Railroad Second Mortgage 7 per cent Bonds, due July 1, 1898, assumed by your Company.....	\$ 230,000 00
Louisiana & Missouri River Railroad First Mortgage 7 per cent Bonds, due August 1, 1900, assumed by your Company.....	1,785,000 00
Louisiana & Missouri River Railroad Second Mortgage 7 per cent Bonds, due November 1, 1900.....	300,000 00
Chicago & Alton Sinking Fund 6 per cent Gold Bonds, due May 1, 1903.....	1,730,000 00
Consolidated Chicago & Alton 6 per cent Sterling Bonds, due July 1, 1903—£900,000, say.....	4,379,850 00
Mississippi River Bridge Company's First Mortgage Sinking Fund 6 per cent Bonds, due October 1, 1912, assumed by your Company.....	<u>530,000 00</u>
Total amount of Bonds.....	8,954,850 00
Joliet & Chicago Stock, on which perpetual dividends at the rate of 7 per cent per annum are guaranteed, \$1,500,000 00	
Louisiana & Missouri River Guaranteed Stock on which perpetual dividends of 7 per cent per annum are guaranteed.....	329,000 00
Kansas City, St. Louis & Chicago Railroad Stock, on which 6 per cent annual dividends are guaranteed, 1,750,000 00	
Kansas City, St. Louis & Chicago Railroad Common Stock, on which dividends, not to exceed 7 per cent per annum, are contingent upon gross earnings....	271,700 00 3,850,700 00
Total.....	<u>\$35,036,150 00</u>

One hundred and two thousand dollars of your Company's Sinking Fund Gold Bonds, and \$17,000 of the Bonds of the Mississippi River Bridge Company, have been canceled on account of sinking funds during the year.

REVENUE.

The Gross Earnings from Traffic, and Interest on temporary investments of surplus, during the last year were	\$7,074,540 76
The Total Disbursements during the same period for Operating Expenses, Taxes, Rent of Leased Lines, Interest on Bonds, and Dividends were.....	6,852,848 54
Balance	\$ 221,692 22

INCOME ACCOUNT.

By Balance December 31, 1895.....	\$3,156,545 17
By Interest on Bonds, Dividends on Stocks owned by your Company, and Sundry Receipts.....	284,256 91
By Gross Receipts from Traffic.....	6,840,283 85
	<u>\$10,281,085 93</u>

DISBURSEMENTS.

Interest on Funded Debt.....	\$ 605,378 85
Dividends	1,778,448 00
Rent paid Joliet & Chicago R. R. Co.	105,750 00
Rent paid Kansas City, St. Louis & Chicago R. R. Co.	324,724 77
Paid for Sinking Fund Gold Bonds purchased	119,315 83
Paid Wiggins Ferry Co., Settlement of Old Claims....	82,665 50
Paid and appropriated from this Account for Additional Property, Real Estate, and New Tracks.	52,378 25
Operating Expenses, including Taxes	4,038,546 92
	<u>7,057,208 12</u>
Balance, December 31, 1896.....	\$3,173,877 81

The following Statements show the Earnings and Expenses during 1895 and 1896 :

GROSS EARNINGS.

PER CENT.	1895.		1896.	PER CENT.
81.37%	\$2,184,155 85	From Passengers	\$2,116,242 70	80.22%
63.78%	4,289,909 80	“ Freight.....	4,888,900 46	63.73%
02.56%	174,698 16	“ Express.....	178,712 10	02.53%
02.76%	195,508 46	“ Mails.....	205,688 76	03.08%
00.70%	8,224 77	“ Miscellaneous	5,789 83	00.76%
.....	\$6,802,486 04	.....Total Earnings.....	\$6,840,283 85	.....

The Gross Earnings from Traffic in 1896, compared with those of 1895, are as follows :

	INCREASE.	DECREASE.	PER CENT.
From Passenger Traffic		\$17,912 65	00.22%
“ Freight	\$48,991 16		01.53%
“ Express		981 06	00.56%
“ Mail	10,135 80		05.75%
“ Miscellaneous		2,484 94	29.92%

The increase in Gross Earnings in 1896, compared with those of the preceding year, is \$37,797.81, or $\frac{556}{1000}$ of one per cent.

OPERATING EXPENSES.

PER CENT.	1895.		1896.	PER CENT.
38.87%	\$1,548,177 04	For Conducting Transportation	\$1,634,909 53	40.13%
29.84%	1,191,086 65	“ Motive Power.....	1,258,795 09	31.76%
22.08%	879,718 72	“ Maintenance of Way.....	815,712 45	20.13%
09.13%	864,015 28	“ Maintenance of Cars.....	329,129 85	08.13%
.....	\$3,982,992 69	.....Total.....	\$4,088,546 92	.....

The expenditures for operating and maintaining your railroad, compared with those of the preceding year, are as follows :

	INCREASE.	DECREASE.	PER CENT.
For Conducting Transportation	\$86,732 49		05.82%
“ Motive Power.....	67,708 44		05.66%
“ Maintenance of Way.....		\$64,001 27	07.75%
“ Maintenance of Cars.....		84,885 48	09.58%

The increase in operating expenses, compared with 1895, is \$55,554.23, or $\frac{395}{1000}$ per cent.

ANALYSIS OF OPERATING EXPENSES, EXCLUSIVE OF TAXES.

Per Cent.	1895.		1896.	Per Cent.
62 $\frac{88}{100}$	\$2,315,685 86	..Paid for Labor and Personal Services..	\$2,427,621 82	65 $\frac{21}{100}$
28 $\frac{100}{100}$	1,051,720 15	.....Paid for Stores.....	956,859 87	25 $\frac{70}{100}$
08 $\frac{100}{100}$	328,741 67	Insurance, Rents, Miscellaneous Expenses	838,374 90	09 $\frac{00}{100}$
.....	\$3,696,147 18	.....Total.....	\$3,722,856 09	.....
1895.			1896.	
3,550		..Average Number of Men Employed..	3,707	
\$2,380,085 02		.....Aggregate Pay Rolls.....	\$2,888,970 60	

SUMMARY OF EARNINGS AND EXPENSES.

1895.		1896.
\$6,802,486 04	.....Earnings from all Sources	\$6,840,283 85
3,983,992 69	.....Operating Expenses.....	4,038,546 92
\$2,819,493 35	.....Net Earnings.....	\$2,801,736 93
58 $\frac{552}{1000}$	..Operating Expenses per cent of Gross Earnings..	59 $\frac{041}{1000}$

Increase in Gross Earnings	\$ 87,797 81
Increase in Operating Expenses	55,554 28
Decrease in Net Earnings.....	\$17,756 42

The decrease in Net Earnings in 1896, compared with Net Earnings in 1895, is $\frac{630}{1000}$ of one per cent.

EARNINGS PER MILE.

1895.		1896.
\$3,066 02	.....Gross Earnings per mile of Road.....	\$3,110 85
4,722 82	.....Operating Expenses per mile of Road.....	4,788 70
\$3,843 20	.....Net Earnings per mile of Road.....	\$3,322 15

TOTAL GROSS EARNINGS FROM FARM PRODUCTS SHIPPED AT LOCAL STATIONS.

Years.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois.	Gross Earnings on Shipments of Farm Products from Local Stations in Missouri.	Gross Earnings on Shipments of Farm Products from Local Stations in Illinois and Missouri.	Per Cent of Gross Earnings on Freight Traffic.	Per Cent of Gross Earnings on all Traffic.
1881	\$799,824 00	\$301,662 00	\$1,100,986 00	19.81%	14.88%
1882	768,818 00	397,424 00	1,166,237 00	19.88%	14.90%
1883	576,792 90	455,089 32	1,031,882 22	16.88%	11.71%
1884	528,614 67	840,656 49	869,371 16	14.81%	09.88%
1885	599,919 88	282,872 50	882,292 38	16.76%	11.86%
1886	710,747 97	807,541 89	1,018,289 86	18.88%	12.88%
1887	712,440 85	852,561 21	1,065,002 06	17.88%	11.81%
1888	769,141 88	388,659 77	1,102,801 15	22.88%	14.88%
1889	855,872 95	390,045 56	1,245,418 51	25.28%	16.88%
1890	822,908 36	384,547 12	1,157,350 48	25.21%	16.88%
1891	841,857 76	436,465 68	1,277,823 89	25.88%	16.88%
1892	771,242 75	346,600 75	1,117,843 50	22.88%	14.88%
1893	771,788 51	269,261 03	1,041,049 54	24.88%	13.78%
1894	857,408 72	319,949 82	1,177,353 54	30.88%	18.78%
1895	928,240 15	348,238 00	1,276,478 15	29.78%	18.78%
1896	1,011,032 62	344,843 04	1,855,875 66	31.21%	19.88%
Increase.	\$82,792 47	.....	\$79,897 51	01.88%	01.88%
Decrease.	.....	\$8,894 96	.....	.....	.....

Detailed statements, of which the foregoing is a summary, will be found in the appendix to this report.

The number of passengers transported during the year is 2,191,044, being 21,875, or 1.00% per cent, more than in 1895; the number of through passengers being 19,267, and the number of local passengers 2,608, more than in that year.

The average distance traveled by passengers is 47.10 miles, being 3.10 miles less than the average in 1895.

The average rate per mile by all passengers was, in 1895, 1.22 cents, and in 1896, 2.10 cents per mile.

The number of tons of freight transported during the year was 3,246,689, or 0.14 per cent more than in the preceding year.

The increase of through freight, compared with that of 1895, is 39,317 tons, or 7.10 per cent, and the decrease of local freight, 36,907 tons, or 1.20 per cent.

The average rate per ton per mile was, in 1896, .81 of a cent, and in 1895, .80 of a cent.

The average distance which freight was transported in 1896 was 163.50 miles, and in 1895, 152.50 miles.

In our last Annual Report we called your attention to the excessive taxation of railroad property in the West, and to statistics which show that while the assessment of railroad property has for many years been increased, the assessment of all other property has been reduced.

Your railroad was extended to Kansas City in 1879, and the number of miles of railroad upon which your Company has paid taxes has remained unchanged for the last seventeen years.

In this connection we beg to call your attention to a tabular statement on page 12 of this pamphlet, which shows the gross and the net earnings of your railroad; the amount of taxes paid by your Company, and the ratio of taxes to net earnings in each of the years 1880 to 1896 inclusive. It will be seen that as the net earnings have decreased the taxes have increased, the taxes amounting to \$147,413.53 in 1880 and \$315,745.48 in 1896, the percentage of taxes to net earnings having increased from $4\frac{2}{10}\%$ per cent in 1880 to $11\frac{2}{10}\%$ per cent in 1896.

In considering these facts, it should be kept in mind that your Company has not added to its railway mileage since 1879, or, in other words, that the taxes have each year been assessed upon the same property.

Since September 29, 1895, trains of your Company have been run daily between Chicago and Peoria — over your own lines between Chicago and Washington, $143\frac{4}{10}$ miles, and over the Toledo, Peoria & Western Railroad, between Washington and Peoria, a distance of twelve miles.

As was expected, considerable traffic has been developed by your trains, and, as was also expected, by reason of the very low rates which have long prevailed on railway traffic to and from Peoria, the margin of profit on such traffic is very small.

It is hoped that more favorable terms may be obtained for the use of the tracks above referred to, between Washington and Peoria, and for the use of such terminal facilities as are needed at Peoria, and that it will prove for the interest of your Company under such changed conditions to continue its traffic to and from Peoria, which has thus far been considered in large degree experimental.

For the efficient services rendered by your officers in the several departments, and all persons employed under their direction, our acknowledgments are due.

Your attention is invited to the tabular statements and accounts which will be found in the appendix of this report.

By order of the Board.

T. B. BLACKSTONE,
President.

CHICAGO & ALTON RAILROAD.

STATEMENT OF GROSS EARNINGS, NET EARNINGS, AMOUNT OF TAXES PAID.
AND THE RATIO OF TAXES TO NET EARNINGS IN EACH YEAR FROM 1880
TO 1896.

YEAR.	GROSS.	NET.	TAXES.	PER CENT.
1880.....	\$7,687,225.98	\$3,477,984.71	\$ 147,413.58	4.24 100
1881.....	7,557,740.42	3,236,805.42	171,661.07	5.30 100
1882.....	8,215,495.12	3,580,991.62	198,621.97	5.54 100
1883.....	8,810,610.88	3,718,577.76	217,074.30	5.84 100
1884.....	8,709,274.22	3,575,484.06	198,122.16	5.54 100
1885.....	7,993,169.33	3,380,321.93	236,988.37	7.01 100
1886.....	8,060,639.34	3,409,684.16	255,412.17	7.50 100
1887.....	8,941,836.31	3,671,183.47	251,857.58	6.86 100
1888.....	7,511,465.19	2,843,880.74	262,170.54	9.22 100
1889.....	7,516,616.44	2,944,880.45	266,101.54	9.04 100
1890.....	7,065,753.15	2,638,751.60	246,750.97	9.35 100
1891.....	7,590,881.18	3,132,181.88	253,804.86	8.10 100
1892.....	7,730,610.53	2,922,811.82	269,211.15	9.21 100
1893.....	7,566,640.21	2,910,751.06	265,158.12	9.11 100
1894.....	6,292,236.54	2,663,549.34	279,863.95	10.50 100
1895.....	6,802,486.04	2,819,493.35	286,845.51	10.17 100
1896.....	6,840,283.85	2,801,736.93	315,745.48	11.27 100

APPENDIX.

AUDITOR'S REPORT.

THE CHICAGO & ALTON RAILROAD COMPANY.

AUDITOR'S OFFICE,

Chicago, Ill., February 8, 1897.

To the Board of Directors :

GENTLEMEN : I would respectfully submit the following Statements and Tables showing the financial condition of the Company on December 31, 1896, and the operations of the road for the fiscal year 1896:

- A — General Balance Sheet.
- B — Income Account.
- C — Additional Property Account.
- D — Gross Earnings from Traffic for the year.
- E — Statement of Monthly Earnings from 1887, and Annual Expenses and Profits.
- F — General Statistics and Comparisons.
- G — Freight Transported.
- H — Statement of Gross Earnings from Shipments of Farm Products in Illinois.
- I — Statement of Gross Earnings from Shipments of Farm Products in Missouri.

Respectfully yours,

CHAUNCEY KELSEY,

Auditor.

A—General Balance Sheet, December 31, 1896.

To Cost of Road and Equipment.....	\$30,568,702 60	\$31,153,927 16	By Capital Stock.....	\$18,751,100 00	\$22,250,962 50
Cost of Road and Equipment.....	316,361 43		Common Stock.....	3,479,500 00	
Cost of Road Godfrey to Wann.....	1,869,337 92		Preferred Stock.....	862 50	
Cost of Road Louisiana Branch.....	1,116,724 91		Common Stock Scrip.....		
Cost of Road Western Division.....	690,416 31		By Capital Stock, Joliet & Chi. R. R. Co., Guar'd.....	1,500,000 00	
Cost of Road Coal City Branch.....	2,000,000 00		By Capital Stock, Mississippi Bridge Co., Guar'd.....	800,000 00	
Cost of Joliet & Chicago R. R.....	1,000,000 00		By Guaranteed Preferred Stock, Louisiana & Mo. River R. R. Co.....	892,000 00	
Cost of Mississippi River Bridge.....	5,074,300 00		By Funded Debt.....	7,234,850 00	
Cost of St. L., J. & C. R. R.....	1,346,000 00		Consolidated Sterling Bonds, due July 1, 1903.....	4,379,850 00	
Louisiana & Mo. River R. R. Co.'s First Mfg. Assumed.....	300,000 00		St. L., J. & C. R. Co.'s Second Mfg., due July 1, 1898.....	230,000 00	
Louisiana & Mo. River R. R. Co.'s Second Mfg. Assumed.....	329,000 00		La. & Mo. River R. R. Co.'s First Mfg., due Aug. 1, 1900.....	1,735,000 00	
Louisiana & Mo. River R. R. Co.'s Guaranteed Preferred Stock Assumed.....	246,835 34		La. & Mo. River R. R. Co.'s Second Mfg., due Nov. 1, 1900.....	300,000 00	
Machinery and Tools in Machine Shops.....	76,588 73		Mississippi River Bridge Co. Bonds, due Oct. 1, 1912.....	530,000 00	
To Bonds of other Companies owned by C. & A. R. R. Co.....	3,177,000 00		By Sinking Fund Gold Bonds, due May 1, 1903.....	1,730,000 00	
Kansas City, St. Louis & Chicago R. R. Co. First Mortgage.....	8,000,000 00		By Bonds Redeemed and Unreced.....	2,674,903 00	
Mississippi River Bridge Co. First Mfg.....	152,000 00		Sinking Fund Bonds.....	600,000 00	
Pawnee R. R. First Mfg Bonds.....	25,000 00		Joliet & Chicago R. R. Co.'s Bonds.....	1,270,000 00	
To Stock of other Companies owned by C. & A. R. R. Co.....	1,069,582 74		Mississippi River Bridge Co.'s Bonds.....	500,000 00	
Kan. City, St. Louis & Chicago R. R. Co. Com'n.....	157,600 00		St. L., J. & C. R. Co.'s First Mfg. Bonds.....	176,000 00	
Mississippi River Bridge Co. Common.....	800,000 00		La. & Mo. River R. R. Co.'s First Mfg. Bonds.....	134,803 00	
Kansas City Union Depot Co.....	45,000 00		By Current Liabilities.....	100 00	
St. Louis Music Hall Association.....	5,000 00		And'd Vouchers and Accounts.....	472,188 59	
Louisiana & Mo. River R. R. Co. Common.....	287,811 04		Wages and Salaries.....	174,115 46	
Louisiana & Mo. River R. R. Co. Preferred.....	294,871 70		Net Traffic Balances due other Companies.....	293,800 40	
To Lands owned by C. & A. R. R. Co.....	93,000 00		Unclaimed Dividends.....	66,424 73	
To Cash and Current Assets.....	949,005 37		Matured Interest and Coupons, Unpaid.....	733 70	
Cash.....	229,919 34		By Mississippi River Bridge Co. Sinking Fund.....	115 80	
U. S. Trust Co.—Applicable for Redemption of Sinking Fund Gold Bonds.....	392,106 71		By Rentals Accrued, not yet due.....	1,130 00	
Due from Agents.....	141,532 42		By New Common Stock, Unissued.....	58,669 83	
Due from Solvent Companies and Individuals.....	186,428 90		By Income Account.....	1,500 00	
To other Assets.....	271,753 35				
Materials and Supplies.....	271,753 35				
To Kansas City, St. Louis & Chicago R. R. Construction.....	9,313 11				
To Illinois Trust & Savings Bank, Trustee.....	1,500 00				
Total.....	\$39,694,081 73		Total.....	\$39,694,081 73	

B—Income Account, December 31, 1896.

To Dividend on Preferred and Common Stock, 1896	\$182,736 78
To Consolidated Bonds; Coupons, due January 1st.	133,282 12
Coupons, due July 1st.....	
To St. Louis, Jacksonville & Chicago R. R. Second Mortgage Bonds; Coupons, due January 1st.	8,060 00
Coupons, due July 1st.....	8,060 00
To Louisiana & Missouri River R. R. First Mortgage Bonds; Coupons, due February 1st....	73,960 00
Coupons, due August 1st.....	73,960 00
To Louisiana & Missouri River R. R. Second Mortgage Bonds; Coupons, due May 1st.....	10,500 00
Coupons, due November 1st.....	10,500 00
To Sinking Fund Gold Bonds; Coupons, due May 1st	52,360 00
Coupons, due November 1st.....	51,980 00
To Mississippi River Bridge Co. First Mortgage Bonds; Coupons, due April 1st.....	16,410 00
Coupons, due October 1st.....	16,170 00
Sinking Fund.....	17,420 00
To Sinking Fund Gold Bonds Redeemed and Canceled (102)....	
To Rentals—Joliet & Chicago R. R.....	105,750 00
K. C., St. L. & C. R. R.....	317,090 00
K. C., St. L. & C. R. R. Back Rent Balance, not heretofore Paid.....	7,634 77
To Wisconsin Ferry Co. in Settlement of Old Claims.....	
To Additional Property.....	
To Operating Expenses.....	
To Balance.....	
	\$10,231,086 93

By Balance from 1895.....	\$3,156,545 17
By Interest on Bonds owned by Chicago & Alton Railroad Co. K. C., St. L. & C. R. R. Coupons, due May 1st.	\$20,890 00
Coupons, due November 1st.....	\$105,000 00
Mississippi River Bridge Bonds; Coupons, due May 1st.....	106,000 00
Coupons, due November 1st.....	4,710 00
Pawnee R. R. First Mortgage; Coupons, due October 1st.....	4,680 00
By Dividend on Stocks owned by Chicago & Alton Railroad Co.....	1,500 00
Kansas City Union Depot.....	
K. C., St. L. & C. R. R.....	1,500 00
By Miscellaneous Income.....	4,428 56
Interest on Sinking Fund.....	
Rentals, etc., from Grundy County Coal Lands..	6,869 78
By Operating Receipts.....	748 87
	\$6,840,283 85

\$1,773,448 00	\$20,890 00
366,018 85	106,000 00
16,100 00	4,710 00
147,960 00	4,680 00
21,000 00	1,500 00
104,280 00	1,500 00
	4,428 56
	6,869 78
	748 87
50,000 00	
119,315 83	
430,474 77	
32,665 50	
52,378 25	
4,038,546 92	
3,173,877 81	
\$10,231,086 93	

D—Gross Earnings from Traffic for Year ending December 31, 1896.

MONTHS.	PASSENGER.	FREIGHT.	EXPRESS, MAILS, ETC.	TOTAL.
January.....	\$165,116 54	\$346,795 66	\$32,449 34	\$544,361 54
February	152,911 22	319,720 57	30,182 79	502,814 58
March	162,982 38	843,391 35	33,807 13	540,130 81
April	160,460 37	342,956 87	35,188 39	538,605 63
May	176,457 62	359,682 92	32,049 41	568,189 95
June.....	200,292 81	360,395 82	31,735 84	592,423 97
July	214,014 19	373,540 52	30,462 49	618,017 20
August	192,256 83	380,814 23	30,310 05	602,880 61
September	190,825 22	377,959 48	33,082 40	601,867 10
October.....	196,675 40	421,674 98	33,504 18	651,854 51
November	144,681 76	334,696 48	30,006 24	509,384 48
December.....	159,618 91	377,772 08	32,362 48	569,753 47
Totals for Year....	\$2,116,242 70	\$4,338,900 46	\$385,140 69	\$6,840,283 85

E—Monthly Earnings of The Chicago & Alton Railroad Company.

Months.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	1896.
January.....	\$672,509 42	\$605,378 02	\$496,217 18	\$570,278 59	\$518,532 74	\$582,876 59	\$598,064 36	\$498,225 23	\$510,945 83	\$544,361 54
February.....	534,409 23	486,462 95	521,441 99	525,868 99	483,731 17	545,461 17	516,892 26	434,510 46	488,150 81	502,814 58
March.....	715,754 86	537,887 08	518,803 06	570,249 94	536,885 42	605,456 56	590,255 31	507,147 76	513,227 52	540,130 81
April.....	654,049 34	552,376 88	518,301 22	560,321 87	532,065 09	545,922 07	571,320 49	493,194 31	513,030 81	538,605 63
May.....	631,018 64	600,061 12	569,590 21	536,756 15	551,340 60	531,671 78	591,658 78	426,215 51	553,897 20	565,189 95
June.....	717,189 53	595,220 63	580,945 09	530,733 88	594,561 06	596,310 21	663,293 32	453,699 06	536,062 01	562,423 97
July.....	817,640 78	681,645 11	680,450 82	576,724 00	716,527 62	645,205 55	648,306 42	479,861 09	560,765 07	618,017 20
August.....	864,300 93	728,618 63	796,708 60	603,273 31	791,561 26	784,761 87	694,203 19	654,234 18	682,469 05	602,890 61
September.....	842,061 93	716,378 65	735,184 22	659,513 97	813,919 08	807,893 65	788,706 37	597,365 48	625,982 88	601,867 10
October.....	903,372 17	805,351 01	798,689 69	726,546 65	777,458 38	782,774 94	774,394 64	653,533 47	742,468 64	651,854 51
November.....	801,880 07	630,431 96	660,279 62	600,367 72	663,161 59	670,508 38	623,791 79	568,692 77	581,314 01	506,364 48
December.....	746,599 29	601,643 15	600,304 74	553,962 18	619,116 09	628,713 76	511,329 38	495,077 23	544,173 21	568,733 47
Total.....	\$8,941,386 31	\$7,511,465 19	\$7,516,616 44	\$7,065,753 15	\$7,590,861 18	\$7,780,610 53	\$7,566,640 21	\$6,292,236 54	\$6,802,486 04	\$6,840,283 85
Expenses, in- cluding taxes, }	\$5,270,302 84	\$4,668,084 45	\$4,571,735 99	\$4,382,001 55	\$4,458,749 80	\$4,807,796 71	\$4,656,860 15	\$3,688,687 30	\$3,962,992 69	\$4,088,546 92
Profits.....	\$3,671,183 47	\$2,843,380 74	\$2,944,880 45	\$2,683,751 60	\$3,132,111 38	\$2,972,813 82	\$2,910,779 06	\$2,603,549 24	\$2,839,493 35	\$2,751,736 93

F—General Statistics and Comparisons.

DESCRIPTION.	1893.	1894.	1895.	1896.	INCREASE.	DECREASE.	PER CENT.
Passenger Traffic.							
Number of Passengers Carried.....	2,181,747	1,979,983	2,169,169	2,191,044	21,875	.....	01.00%
Number of Through Passengers.....	207,317	89,709	107,497	126,764	19,267	.....	17.00%
Percentage of Through Passengers to Whole Number.....	09.50%	04.55%	04.95%	05.78%	00.83%	.....	16.14%
Number of Local Passengers.....	1,974,430	1,890,274	2,061,672	2,064,280	2,608	.....	00.13%
Percentage of Local Passengers to Whole Number.....	90.50%	95.45%	95.05%	94.21%	00.83%	.....	00.13%
Number of Passengers Carried One Mile.....	157,984,435	98,610,298	110,447,175	104,642,482	5,804,693	.....	05.56%
Average Distance Each Passenger Carried.....	72.41	49.86	50.96	47.73	03.16%	.....	06.10%
Average Rate Paid per Passenger.....	\$1.32	\$1.03	\$0.98	\$0.97	\$0.01	.....	01.02%
Estimated Cost of Carrying Each Passenger.....	01.70%	02.10%	01.70%	02.02%	00.32%	.....	04.66%
Total Passenger Earnings, including Mail and Express Earnings.....	01.19%	01.10%	01.10%	01.10%	00.00%	.....	04.81%
Freight Traffic.							
Number of Tons of Freight Carried.....	\$3,254,700 49	\$2,397,520 95	\$2,504,351 97	\$2,495,593 56	.....	\$8,758 41	00.35%
Percentage of Through Freight Carried.....	\$3,859 02	\$2,842 85	\$2,969 53	\$2,959 14	.....	\$10 39	00.30%
Percentage of Through Freight to Whole Tonnage.....	\$1 46.13%	\$1 09.10%	\$1 08.58%	\$1 03.43%	.....	\$0 05.10%	04.16%
Number of Tons of Local Freight Carried.....	3,128,533	2,774,228	3,244,279	3,246,689	2,410	.....	00.07%
Percentage of Local Freight to Whole Tonnage.....	614,478	513,890	548,383	587,700	39,317	.....	07.10%
Number of Tons Carried One Mile.....	19.54	18.16	16.90	18.16	01.26	.....	07.00%
Average Amount Received for Each Ton of Freight.....	2,514,055	2,260,338	2,695,896	2,658,989	36,907	.....	01.36%
Average Distance Each Ton Carried.....	80.35	81.48	83.16	81.96	.....	01.20	01.44%
Average Amount Received for Each Ton Carried One Mile.....	483,203,506	423,166,852	494,914,270	531,022,122	36,107,852	.....	07.31%
Total Freight Earnings.....	154.44	152.13	152.55%	163.55%	11.00%	.....	07.31%
Freight Earnings per Mile.....	\$1 37	\$1 40	\$1 32	\$1 34	\$0 02	.....	01.60%
Passenger Earnings per Mile.....	00.86	00.90	00.85	00.81	.....	00.04	05.10%
Freight Earnings per Ton.....	00.36	00.46	00.43	00.43	.....	00.03	05.10%
Freight Earnings per Train Mile.....	\$4,273,117 48	\$3,881,544 52	\$4,289,909 30	\$4,338,900 46	\$48,991 16	.....	01.14%
Passenger Earnings per Train Mile.....	\$5,068 53	\$4,602 53	\$5,086 75	\$5,144 84	\$58 09	01.14%
Freight Earnings per Train Mile.....	\$1 38.10%	\$1 47.10%	\$1 47.10%	\$1 37.10%	\$0 09.55%	06.00%

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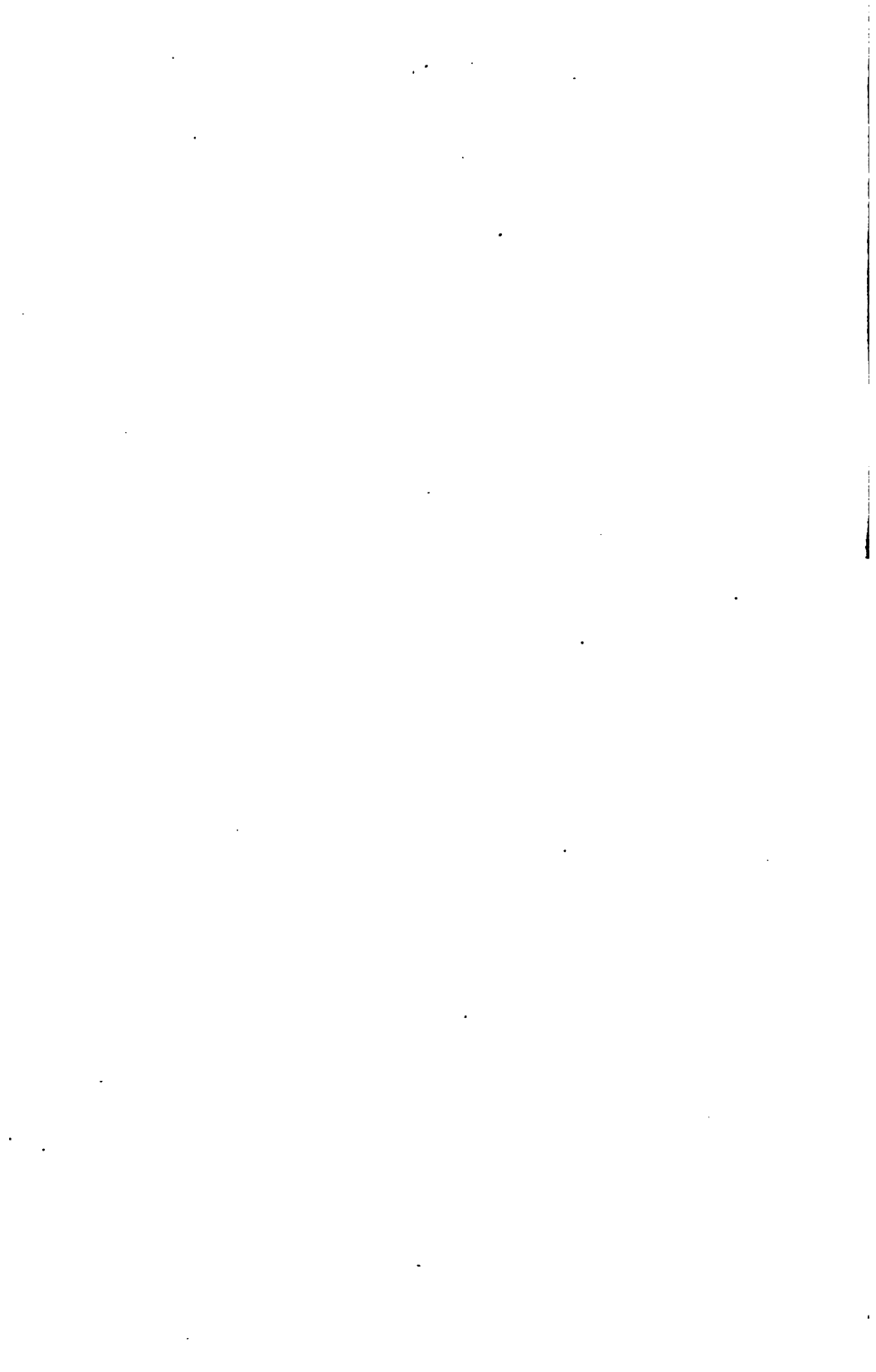
G — Freight Transported.

ARTICLES.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	1896.	INCREASE.	DECREASE.
Merchandise and Sundries ..	764,635	822,019	764,615	740,131	704,898	607,694	636,933	497,457	607,353	100,866	
Iron ..	85,834	169,146	122,278	127,195	85,968	40,927	36,780	46,231	15,474		30,757
Coal ..	1,630,825	1,000,065	1,120,192	1,095,470	1,120,052	1,136,469	1,012,112	1,313,678	1,257,464		56,194
Brnn and Mill Stuffs ..	43,407	35,525	25,622	18,734	15,219	15,967	27,540	42,577	40,740		1,837
Wool ..	2,143	2,067	796	278	455	94	1,006	1,060	678		381
Hides ..	455	400	228	96	77	98	273	149	148		1
Broom Corn ..	455	400	133	664	453	237	171	283	318	78	
Hay ..	22,580	27,792	21,233	25,445	27,694	23,508	24,410	21,966	17,490		4,476
Ice ..	125,949	134,062	8,225	57,476	107,271	96,586	9,913	5,854	23,467	26,813	
Brick and Sand ..	13,762	25,107	20,434	24,518	36,439	19,275	30,028	53,500	43,028		15,532
Stone ..	131,270	100,427	112,239	179,938	182,474	65,607	70,308	61,292	39,170		22,082
Wheat ..	4,615,512	5,379,714	8,795,038	7,871,983	8,101,517	4,727,804	4,323,608	4,374,468	3,615,669		658,799
Corn ..	4,920,117	5,156,737	9,705,146	7,830,941	5,992,134	7,514,636	7,112,900	11,043,640	11,122,480		
Oats ..	5,480,468	4,784,906	4,394,151	4,690,630	3,992,100	5,404,468	4,945,281	4,673,624	5,042,391		
Barley ..	1,035,168	798,616	254,038	94,284	105,216	35,764	28,486	16,228	23,480		
Rye ..	108,641	188,163	67,496	281,846	220,282	175,000	28,486	49,129	36,100		23,052
Potatoes ..	266,970	323,496	213,250	297,975	154,616	471,204	342,707	486,021	374,683		111,398
Flour ..	509,754	491,813	373,793	406,578	579,646	873,666	593,746	471,190	399,696		161,978
Whisky ..	6,972	11,811	12,487	7,983	7,309	1,898	4,765	9,270	30,601	18,419	
Beef ..	82,880	974,744	394,304	440,535	392,891	387,213	489,738	227,907	660,665		
Pork ..	124,089	156,608	171,070	128,896	116,913	65,852	55,852	22,051	33,428	10,372	
Lard ..	95,798	63,289	51,815	43,291	38,547	30,800	24,054	18,694	32,746	14,122	
Salt ..	67,003	43,633	37,719	31,784	38,262	31,437	30,206	45,062	30,179		16,018
Lumber ..	108,460,594	83,270,225	88,899,322	93,605,728	98,779,997	73,082,151	76,094,108	76,677,812	59,802,285		
Shingles ..	8,311	9,649	11,423	20,108	15,108	8,976	6,067	6,530	5,291		17,475,927
Lat. ..	15,069	9,174	11,932	6,592	6,630	1,971	6,967	6,530	1,242		1,308
Peas, Staves, etc. ..	519,013	447,746	437,046	446,166	418,270	464,995	371,589	490,965	490,918	1,184	
Cattle ..	645,282	673,334	596,179	528,006	490,991	397,045	414,751	382,899	491,090	59,353	
Hogs ..	320,041	308,795	298,997	298,394	169,890	104,255	184,640	116,778	290,771	108,191	
Sheep ..	84,407	96,081	92,790	90,347	94,363	10,605	19,118	22,963	10,068	83,093	
Horses ..	709,136	631,157	676,422	677,380	607,096	618,333	503,456	502,240	408,919		5,897
Milk ..	29,261	28,364	33,544	40,694	39,654	34,455	38,481	65,075	44,816		73,823
Cured Meats ..	1,463	12,847	1,544	2,146	1,940	2,760	2,069	5,188	1,845		140
Cotton ..	18,222	54,089	13,200	2,146	2,190	2,533	2,069	5,480	3,073		20,359
Railroad Ties ..	1,891	1,000	540	8,033	2,130	2,533	2,069	5,480	3,073	2,665	
Seeds ..	1,891	1,000	540	8,033	2,130	2,533	2,069	5,480	3,073		1,392
Clay ..	7,643	3,795	4,006	3,147	4,761	8,994	9,999	9,197	1,147		990
Drain Tile ..	10,082	13,670	11,090	14,027	14,027	20,403	6,999	7,468	7,130		2,848
Lime ..	9,965	8,073	7,660	7,674	13,334	11,493	14,082	16,272	15,898		2,370
Straw Board ..	9,279	9,047	7,776	7,011	6,466	7,012	4,839	570	74		490

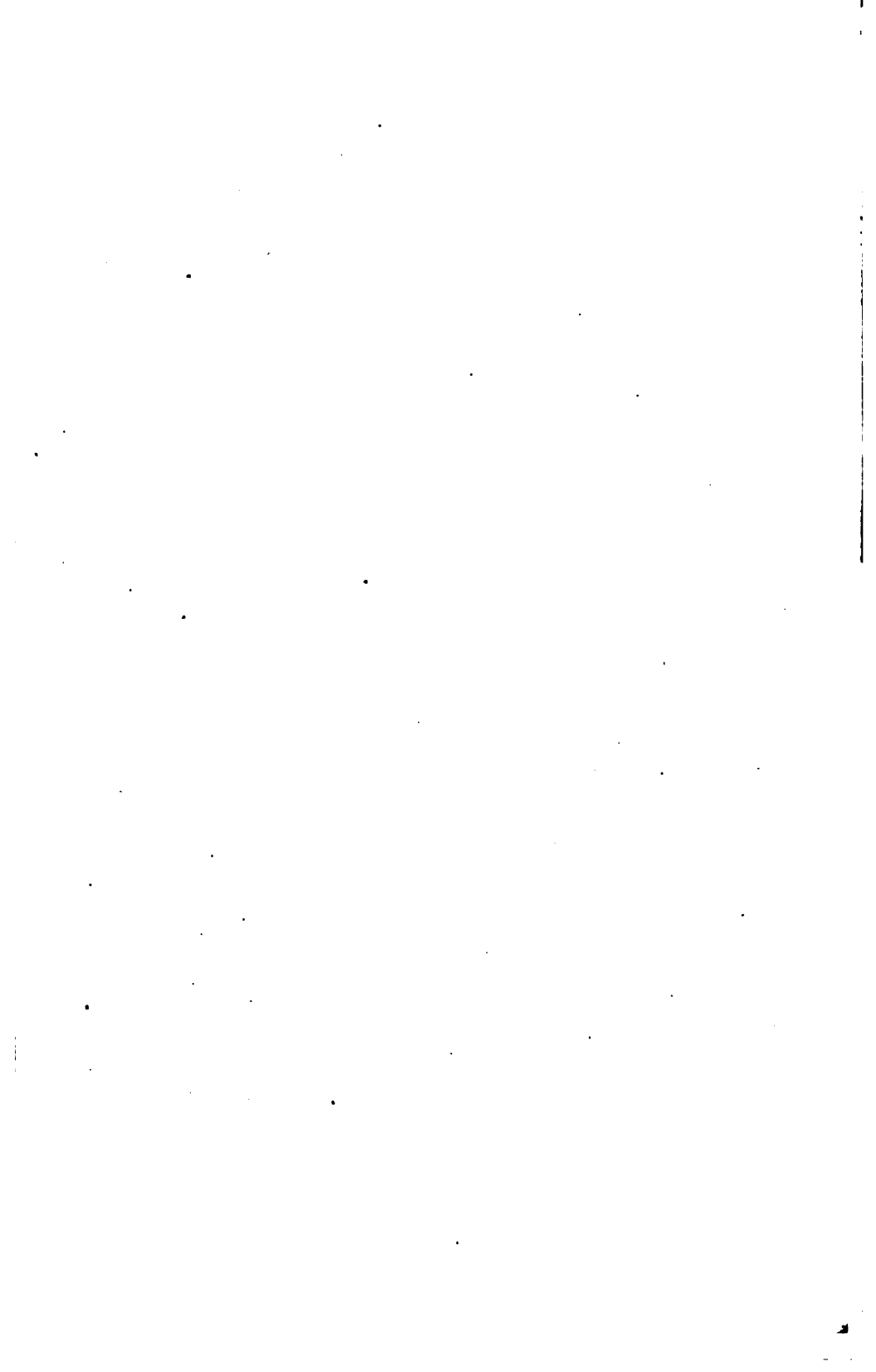
I—Statement of Gross Earnings from Shipments of Farm Products in Missouri.

YEARS.	WHEAT.	CORN.	OATS.	CATTLE.	HOGS.	SUNDRIES.	TOTAL.	Per cent of Gross Earnings on Fr't Traffic in Missouri.	Per cent of Gross Earnings on all Traffic in Missouri.
1881.....	\$ 49,840 00	\$ 22,680 00	\$ 8,700 00	\$107,134 00	\$82,348 00	\$21,460 00	\$301,662 00	23 3/8	17 1/8
1882.....	177,231 00	37,651 00	12,615 00	67,920 00	62,440 00	39,567 00	397,424 00	29 3/8	20 3/8
1883.....	122,626 55	114,932 34	11,447 70	109,080 00	75,960 00	20,992 78	455,039 32	26 3/8	18 7/8
1884.....	106,498 35	42,416 77	9,824 26	81,440 00	84,440 00	16,042 17	340,656 49	19 1/8	13 7/8
1885.....	50,473 04	29,972 42	3,281 08	104,560 00	78,640 00	15,448 01	283,972 50	20 7/8	13 3/8
1886.....	71,187 44	21,751 91	7,863 44	108,880 00	77,640 00	25,219 10	307,541 89	20 7/8	13 3/8
1887.....	140,675 58	9,084 75	25,586 66	90,080 00	58,240 00	28,894 22	352,561 31	20 7/8	13 3/8
1888.....	95,287 68	27,959 20	23,080 69	100,880 00	66,400 00	20,052 20	333,659 77	29 3/8	18 3/8
1889.....	135,550 02	16,993 13	15,738 96	115,720 00	81,640 00	24,403 45	390,045 56	38 3/8	21 3/8
1890.....	72,894 45	12,271 83	10,976 34	125,760 00	87,640 00	25,005 00	384,547 12	31 1/8	20 7/8
1891.....	104,710 28	81,925 78	38,114 32	113,800 00	77,880 00	20,085 25	486,465 63	36 7/8	23 1/8
1892.....	111,775 10	4,009 79	9,257 81	126,920 00	71,280 00	23,353 05	346,600 75	29 3/8	19
1893.....	47,421 97	5,888 25	12,748 31	114,160 00	68,880 00	22,217 50	269,261 08	28 3/8	17 3/8
1894.....	63,867 27	38,060 64	15,891 35	107,840 00	71,480 00	22,810 56	319,949 82	39 3/8	24 3/8
1895.....	56,788 52	49,183 68	26,615 54	109,200 00	79,520 00	26,930 31	348,238 00	37 3/8	24 1/8
1896.....	45,000 69	45,022 86	6,190 80	133,600 00	92,560 00	22,468 69	344,843 04	40 7/8	25 1/8
Increase in 1896.....
Decrease in 1896.....	11,787 83	4,160 77	20,424 74	4,461 62	3,394 96

Pa.









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Chicago & Alton railroad company.
23d-34th annual report. 1885-1896.

NAME

W. R. ...

DATE

SEP 21 1888

NAME

W. R. ...

DATE

SEP 8 1890

level

11-15-44